JPRS 80850

19 May 1982

Near East/North Africa Report

No. 2547

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NEAR EAST/NORTH AFRICA REPORT

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PLO POLITICAL ADVISER COMMENTS ON W. BANK, MILITARY ESCALATION
Beirut MONDAY MORNING in English No 513, 19-25 Apr 82 pp 40-47
[Article by Claude Khoury]
[Text]

Hani al-Hassan, political advisor of PLO Chairman Yaser Arafat, stated last week that the Palestine Liberation Organization would prepare for a military escalation against Israel to match the political escalation by the Palestinians in the West Bank, the Gaza Strip and Israel itself.

He said that the military blow would be planned to gain maximum political benefit for the Palestinians, but he refused to elaborate, saying only: "Wait and see."

The Palestinian leader, in a private interview with Monday Morning last week, said the PLO would use all Arab borders with Israel to mount its operations, with the exception of the Lebanese borders.

The PLO, he said, had made no commitment to Jordan or any other country not to cross its borders for military operations in the occupied territories and Israel. It had been using the Jordanian borders frequently and would continue to do so.

Al-Hassan confirmed that the PLO was smuggling both arms and Palestinian commandos across the Egyptian borders, as the Israeli government charged last week, but he said this was being done secretly, without the knowledge or approval of the Egyptian authorities.

He added, however, that Egyptian President Hosni Mubarak was "working seriously" to bring Egypt back to the Arab fold and had already crossed "one-third of the way" by refusing to speak on behalf of the Palestinians or to recognize Jerusalem as the capital of Israel. But this, he said, was not enough. He must also stop the normalization of Egyptian-Israeli relations, which should pose no problem if he coordinates with the Egyptian people to discourage these relations, and he must close the Israeli embassy in Cairo. There could be no bargaining over these conditions, which must be met before Egypt could be accepted by the PLO again, he said.

Al-Hassan said it was unlikely that Israel would resort to immediate annexation of the West Bank, because such a move would "cancel" the Camp David agreements. Instead, he said, the Israeli plan was to dissolve various municipal and village councils, replace them with the Israeli-created "Village Leagues" which would apply the Israeli version of "Palestinian autonomy," actively seek the expulsion of around 500,000 Palestinians from the West Bank, and finally, in the early 1990's, establish a "confederation" with the West Bank and Gaza.

The American preference, he said, was to launch a five-year period of "Palestinian autonomy" as soon as possible, after which a confederation would be established between the West Bank, Jordan and possibly Israel.

The Israeli plan, he said, hinged on the "Village Leagues," to whose members he sent the following message: "Whoever works for the Village Leagues knows that all he can gain is the label of traitor and collaborator, and, in the final analysis, a bullet in the head. They would do best to leave the Village Leagues, because we are determined to crush them."

And in a message to the Palestinians who stayed in Israel in 1948 and have now joined the protests of the people of the West Bank and Gaza, al-Hassan said: "You have consecrated the unity of the Palestinian people by your actions. If the next three years give birth to the Palestinian state, God willing, our next target will be a reunion with you. In other words, our goal in the stage that follows the rise of the Palestinian state will be to be reunited with you in one state."

The Palestinian state, al-Hassan said, cannot be born except through East-West detente — a "new Yalta" which should be coming within the next two to four years. The Yalta conference of 1945 produced no Palestine because the Palestinians were not present on the ground as a fighting force then, he said, which made it imperative that the Palestinians remain a powerful fighting force "at any cost" over the next few decisive years.

This, al-Hassan said, was the significance of the confrontation now going on in the occupied territories. To the people in the West Bank and Gaza, he said: "You are making your future with your sacrifices. The next two to four years will decide whether our heroic deeds over the past 18 years were for nothing or for a better future. We must not give up."

Addressing himself to the Arabs, he said he was disappointed with their reaction to the Palestinian rebellion in the occupied territories and the shooting incident at the al-Aqsa mosque in Jerusalem (see Middle East news section). They had reacted with words and strikes, instead of taking action to create "new facts," he said.

Now, he said, was the time for the Arabs to give the PLO more backing, to establish the "eastern front, from Aqaba (Jordan) to Naqoura (Lebanon)," to exert pressure toward an international conference for peace in the Middle East, and

to press the West Europeans — especially the socialist government in France — to recognize the PLO.

French President François Mitterrand, al-Hassan charged, was responsible for the massacres now going on in the occupied territories. He had made the Israeli crackdown easier by visiting Israel and breaking its isolation. France, he added, had become the major obstacle blocking constructive West European action on the Middle East, and the Arab Gulf states must exert maximum pressure on Mitterrand to change his position. The only Gulf state which was exerting such pressure, he said, was Kuwait, which had refused to receive Mitterrand before he visited Israel and had cancelled various commercial deals with France after the visit.

Nevertheless, he said, the Palestinian uprising in the occupied territories was "bringing (Israeli Prime Minister Menahem) Begin down" and pushing the Camp David process into its second impasse after the 1981 assassination of Egyptian President Anwar Sadat.

Begin, losing internal political support, now believed that his political fate hinged on a dramatic action against the PLO and Syria, al-Hassan said.

Quoting PLO Intelligence sources, al-Hassan said that Begin's plan two weeks ago was to invade South Lebanon, remain in it and demand a Syrian pullout from Lebanon, the destruction of the Palestinian resistance and an Israeli-Lebanese peace agreement as the price for Israeli withdrawal. But Labor Party leader Shimon Peres, while approving of the plan, said it should be applied after the Israeli withdrawal from Sinai on April 25 and only with the approval of the United States, according to PLO Intelligence. Labor's position had delayed the Israeli invasion, al-Hassan said, but it had not cancelled it, considering Begin's tendency to take rash actions, which had made him the PLO's 'greatest ally."

An Israeli invasion of the South now, al-Hassan added, would bring the PLO a political victory and could plunge the entire region into "a new stage."

"Political action in the occupied territories is still escalating," al-Hassan said, "and we must prepare as of now for military action to match the political escalation and civil disobedience in the interior. This is what should happen, and it will happen, God willing."

But he added: "There must be harmony between political and military action. Every military victory must produce a political victory. At any rate, wait and see."

Al-Hassan said the PLO was using and would continue to use all Arab fronts with the exception of the Lebanese borders to mount commando operations against Israel.

Referring to the recent Israeli report that a commando group that had crossed the Jordan River had been captured, he said: "This is not the first time that commandos have crossed over to the occupied territories. We shall always use our right to cross all borders, with the exception of the Lebanese borders. The Arab conferees (at the summit meeting) in Tunis decided that it was important for the preservation of the South not to launch offensives from

Lebanon, and we, knowing Israel's designs on the Litani River waters, are committed to that...

"But our relationship with Jordan on this point is very clear. The PLO has made no commitments to Jordan or to any country other than Lebanon not to exercise our right to pain access to the occupied territories."

The PLO, al-Hassan said, was exercising that right "wherever and whenever it can."

Asked if the PLO was smuggling arms and fighters across the Egyptian borders, as the Israeli government charged recently, al-Hassan said: "We are smuggling arms and fighters across all borders. We are smuggling them by sea to Gaza and to northern Israel. And of course, we are smuggling them across Palestine's southern borders, but we are doing so secretly. There is no agreement between us and Egypt on this matter."

The Israeli government has accused Egypt of "cooperacing" with the PLO in the smuggling operations, and it has hinted that this could lead to a postponement of the Israeli withdrawal from Sinai, which is scheduled for the 25th of this month.

Al-Hassan said the Israeli charge was meant only for local consumption, to keep the Begin government from falling in the event of another Knesset vote of confidence.

Begin's near-defeat in the latest Knesset vote, he pointed out, was due to a combination of no-confidence votes by the parties which opposed his handling of the West Bank unrest and the no-confidence votes of the Tehiya Party, which joined the opposition in protest against the approaching Israeli withdrawal from Sinai.

"By hinting that he may not pull out of Sinai, Begin is simply wooing the Tehiya Party, trying to win its support in the event of another confidence vote which could bring his government down," al-Hassan said. "It's a purely domestic game. Although no one can make any firm predictions about the events of the next few weeks, it is my opinion that the withdrawal will go ahead on schedule. The U.S. is the sponsor of Camp David, and it can never tolerate the non-implementation of an agreement it has guaranteed. That would be an unacceptable blow to its credibility, especially now, when the Americans are trying to regain lost influence in the Middle East. In addition, Hosni Mubarak's policies have so far been a duplicate of Sadat's, and the multi-national forces are already in place in Sinai. The Americans consider their military presence in Sinai to be of the utmost importance, because they are planning to use the Sinai facilities in the future as a base for their Rapid Deployment Force in this region."

MUBARAK

After April 25, al-Hassan said, Egyptian reconciliation with the PLO would be possible if Mubarak met three conditions which were not open to discussion.

"President Hosni Mubarak knows that the Egyptian people are staunch supporters of the PLO," he said. "He knows that Sadat's hostility to us actually served to build up more support for us among the Egyptian people. There is so much support for the PLO in Egypt, in fact, that we in Fateh have realized what a big mistake we made by bargaining with Arab regimes over our relations with the Arab peoples.

"President Hosni Mubarak knows that he cannot establish good relations with his people in any final way unless he first sets his relations with the Palestinian people and their cause in order.

"I am confident that President Mubarak is working seriously to return to Arab ranks. But his road back to the Palestinians will not be an easy one.

"We want three things from President Hosni Mubarak.

"First, we want him not to talk on behalf of the Palestinians or sign any statements of principles relating to the Palestinians, and not to recognize Jerusalem as the capital of our enemy.

"Second, we want him to stop the normalization of Egyptian-Israeli relations.

"Third, we want him to close the Israeli embassy in Cairo."

By refusing to sign a statement of principles on the Palestinian problem and refusing to visit Jerusalem or to otherwise recognize it as the Israeli capital, "President Mubarak has met our first demand," al-Hassan said. "If he maintains this positive position, he will have covered one third of the distance between him and the Palestinians. But that is not enough."

The Egyptian President must also stop the normalization of Egyptian-Israeli relations, "and this should not be difficult. Given coordination with the Egyptian people, it should be possible to combat any development of relations on the touristic," commercial and other levels. I believe that we in the PLO are capable of arriving at a solution of the normalization problem with the Egyptian people."

Al-Hassan added: "That leaves the question of the Israeli embassy in Cairo, which the PLO can never accept — first because it rejects it in principle, and second because this embassy would encourage the countries which have severed relations with Israel to restore them, thus giving the Israelis breathing space."

The Palestinian leader said there was no doubt that the return of Egypt would strengthen the Arabs, "but only if the Egypt that returns is not the Egypt of Camp David." He stressed that the PLO was not ready to "bargain over the three political conditions that it feels must be met before Egypt returns to the Arab ranks."

Mubarak, he said, "must convince the PLO that he has plans to eliminate the negative effects of the Camp David agreements. We are waiting to see what his position will be after the Israeli withdrawal. Our attitude towards him will depend on the action he takes regarding the three matters I have mentioned."

Al-Hassan repeated the PLO's categoric rejection of the Egyptian proposal earlier this month that the Palestinians and Israelis agree to mutual, simultaneous recognition of each other. The proposal was made in Kuwait by the Egyptian ambassador to the U.N., Ismat Abdelmajid, who was representing his government at the meeting of the non-aligned movement's coordination bureau. Abdelmajid accompanied the proposal with a demand that Israel recognize 11 Palestinian rights, including the right to establish an independent Palestinian state. (See Monday Morning's interview with Abdelmajid in last week's issue.)

Abdelmajid's proposals, al-Hassan said, "included more than one positive point as a cover for the mutual recognition proposal, which we will never accept. Including the mutual recognition point in the list of proposals is like building a house and then blowing it up. We will not accept the mutual recognition suggestion in any proposal presented to us."

WEST BANK

Al-Hassan said it was unlikely that the Israelis would resort to an immediate annexation of the West Bank.

"They know that would not be easy, because immediate annexation would mean immediate cancellation of the Camp David agreements," he said. "They would rather do it more subtly. They believe they need around eight years to divide the Palestinian people, force large numbers of them to leave for Jordan, and then announce publicly the annexation that will already have been implemented on the ground."

There was "no need for speculation" on this matter, he said, because it was known to the PLO that the Israelis had a specific plan to settle the Palestinian problem, and the Americans had another.

He described the Israeli plan as follows:

"We have information that Israel wants to dissolve eight municipal councils and 18 village councils in the occupied territories in preparation for the initiation of a civilian administration in those territories. Initially, they plan to put Israeli officers in control, but later, they intend to bring people from the Village Leagues to take over the municipalities and the village councils and establish a civilian administration which would continue until 1985-86. During this time, the Begins and the Sharons plan to see to it that no less than half a million Palestinians are driven out of the occupied territories to the East Bank. In 1985-86, they plan to develop the civilian administration into 'autonomy' controlled by the Village Leaguers. This situation would remain until 1990-91, at which time they will form some sort of confederation grouping Israel, the West Bank and the Gaza Strip. The annexation will take the form of a confederation because the Israelis do not want the people of the West Bank and Gaza to take part in Israel's future political life; that would upset the balance, considering the size of the West Bank and Gaza populations."

As for the "American solution for the Palestinian problem," al-Hassan described it as follows:

"The Americans want Palestinian autonomy to start now and be maintained for five years, during which all anti-American elements on the Palestinian and regional scenes would be eliminated. After that, in the early 1990's, they want to discuss some sort of confederation between the Palestinians and Jordan, or between the Palestinians, Jordan and Israel."

The two plans, al-Hassan said, "are similar in several aspects, especially in method."

He added: "Our battle now is being waged against the Israeli and American plans, against the civilian administration and the autonomy project. So far, thanks to the PLO's political line and tactics, neither the American plan nor the Israeli plan has made any progress."

VILLAGE LEAGUES

The Village Leagues, an essential ingredient in the Israeli plan, were being confronted in two ways, al-Hassan said.

"One way is the way of the gun. We have used the gun against three Village League leaders so far. Three have been killed. A fourth one, Mustapha Doudin, escaped our last attempt because he was provided with undercover Israeli protection," the Palestinian leader said, adding:

"But whoever works for the Village Leagues knows that all he can gain is the label of traitor and collaborator, and, in the final analysis, a bullet in the head. They would do best to leave the Leagues, because we are determined to crush them."

The second way of dealing with the Village Leagues, he said, was through Jordan.

"Some members of the Leagues have interests in Jordan. Agreement has been reached with the Jordanian government that those people's property and funds in Jordan would be confiscated and that they themselves would be arrested as soon as they set foot in Jordan. Last month, a decision to that effect was announced by the Jordanian government."

The announcement of the decision was followed by a number of resignations from the Village Leagues and the beginning of a fresh Israeli crackdown in the West Bank which has since snowballed into the current Palestinian rebellion in the occupied territories.

"There is a meeting of the minds between us and Jordan on this very important point," al-Hassan said, "Jordan is afraid of Israel's plan to drive half a million Palestinians to the East Bank over the next eight years. Such an influx of Palestinians would cause problems in Jordan, which is naturally opposed to the Begin-Sharon thesis that the Palestinian state already exists east of the Jordan. Thus, Jordan has taken a decision which serves its interests as a regime and at the same time serves the interests of the Palestinian revolution."

The PLO, al-Hassan said, was determined to abort the Israeli and American "confederation" solutions of the Palestinian problem "and go straight for a Palestinian state."

The Palestinian state, he added, can only be born in the context of East-West detente — "what I like to call a new Yalta."

NEW YALTA

"To make sure that the new Yalta produces an independent Palestinian state, we must learn the lessons of the 1945 Yalta conference. The Palestinians were not considered at that time because they were not present as a fighting force on the ground. The Palestinian leftists had heeded Stalin's call to stop fighting the British-French colonialists and unite against the German fascists — a call which was rejected by Vietnam's Ho Chi Minh in 1933 and 1936. At the same time, the Palestinian nationalists had heeded the 1936 call by the Arab states to stop the confrontation with the British because Britain was a friend that had guaranteed Palestinian rights.

"So when the Yalta conference was held in 1945, Ho Chi Minh, whose forces were still on the ground, was there, and North Vietnam was created. The Palestinians, who had ceased to be a fighting force with an independent will, were crossed out in the conference by a decision supported by the entire world. That was how Israel came to be.

"Now the world is headed towards a new Yalta, which may take place in two, three or four years, depending on the balance of power between the U.S. and the USSR, and depending on the new map of political relations in this region. Until then, the Palestinians must remain a powerful fighting force at any cost. In the three or four years ahead, we must hold no sacrifice too great for the sake of progress towards our goal. We must use all we have — our old men, our women, our children, our money — to make sure that when detente is achieved, the Palestinians will be there with their guns."

He said the Palestinians in the occupied territories needed no advice on this matter. "It will go down in history that it was the Palestinian people who cast their shadow on the Palestinian leadership, and not the other way round," he said. "Our people, with their initiative and determination, have proved that they need no directives or lessons; they are the ones who are giving us the directives and teaching us the lessons. But I say to them: You are making your future with your sacrifices. The next two to four years will decide whether our heroic deeds over the past 18 years were for nothing or for a better future. We must not give up."

Al-Hassan stressed that "the Palestinians of 1948," who remained in Palestine after the Israeli takeover that year, were part of the growing internal Palestinian resistance,

"The idea of declaring March 30, 1976, the Day of the Land was theirs, remember. The escalation of the uprising on March 30, 1982 came to consecrate the unity of the

Palestinians of 1948 and the Palestinians of the West Bank and the Gaza Strip. This unity is deeply felt by our people in the Palestine of 1948, who, when we meet them, consider us moderates. I believe the Israelis quaked when they saw the unity that was demonstrated on the Day of the Land, and they suppressed the Palestinians of 1948 as much as they suppressed the Palestinians of 1967."

Addressing the Palestinians in Israel, al-Hassan said: "You have consecrated the unity of the Palestinian people by your actions. If the next three years give birth to the Palestinian state, God willing, our next target will be a reunion with you. In other words, our goal in the stage that follows the rise of the Palestinian state will be to be reunited with you in one state."

THE ARABS

The Palestinian leader said he was disappointed by Arab reaction to the unarmed rebellion in the occupied territories and to the shooting of Moslem worshippers in Jerusalem last week (see coverage in Middle East news section). The shooting at the al-Aqsa mosque, like the fire at the mosque in 1969, was not the work of an "insane" Jewish fanatic, as the Israelis were saying, but a deliberate act of hostility by the Israeli government, he said, noting that the perpetrator had been labelled of unsound mind in preparation for his release.

Instead of taking action, the Arabs had chosen to support the Palestinian rebellion and object to the al-Aqsa mosque incident with speeches and strikes, al-Hassan said, adding:

"The history of this area always repeats itself. There were summit conferences in the days of Saladin too (Salaheddin al-Ayoubi, 1138-93, who defeated the Crusaders in Jerusalem), and there were Arab divisions. One day, Saladin called the Arabs to a meeting, and they delivered four speeches to him, to all of which he replied: "I want your swords, not your words." Today, we repeat to the Arabs what Saladin told them then.

"Our battle in the occupied territories is in defense of the future of every Arab, and not the future of the Palestinians only. It is in defense of the future dignity of every child in the Arab world today, and not the future dignity of Palestinian children only. We want them to recognize the danger and face it with actions, not words and strikes. We want them to unite and create new facts. We want them to give much more to the PLO, to establish an eastern front from Agaba to Nagoura to break the Israeli will - especially now that the Begin government is beginning to self-destruct. If we don't move now to break the Israeli will, when will we move? We want them to exert pressure to impose an international peace conference of the Security Council kind on the Middle East. We want them to exert pressure on Western Europe, especially France, to recognize the PLO and increase the isolation of Israel."

When Valéry Giscard d'Estaing was the President of France, al-Hassan said, the major obstacles to constructive EEC action on the Middle East were West Germany and Britain. Since then, "a basic change" had occurred in the

attitudes of Bonn and London, and "the major obstacle has become President François Mitterrand of France."

The new French position in the Middle East "is a position which poses the gravest threat to peace in this region," he said. "It is that position which is responsible for Begin's massacres in the occupied territories — because Mitterrand's attitude has pulled Europe out of the circle of action, giving Begin freer rein in the occupied territories and the region. These are the results of Mitterrand's visit to Israel. Mitterrand, by becoming the first European chief of state to visit Israel, has ended Israel's isolation, and the blood that has been shed since then is the result. We consider Mitterrand's position one of virtual, perhaps unwitting, hostility to the PLO. Mitterrand must stop allowing Jacques Attali, the Zionist who is his leading advisor, to draw up France's policies. French policy must be defined by President Mitterrand, not Jacques Attali."

The Arabs must exert pressure on Mitterrand to reconsider his position and bring France back in line with the rest of Western Europe, al-Hassan said. "But so far, of all the Gulf states, only Kuwait is exerting pressure. The Emir of Kuwait, for instance, refused to receive Mitterrand before the French President visited Israel, and he cancelled various important commercial deals with France, receiving representatives of various socialist chiefs of state to establish East-West balance."

The Arabs, he added, were like a bird hypnotized by "the Haig and Reagan snake."

"If we could convince every bird who encounters a snake that he has wings and can fly, no bird will ever be swallowed by a snake again," he said. "The Arabs are hypnotized by Washington. They have forgotten that they have wings to fly. Today, only the Palestinians in the occupied territories are flying, but they cannot go on flying indefinitely if the Arabs around them continue to kneel."

The rebellion in the occupied territories, al-Hassan said, was "bringing Begin down" and dealing the second major blow to the Camp David agreements — the first being the one dealt by the Egyptian assassins of Sadat, "architect of Camp David."

"For the first time, Begin finds-his prime ministerial chair shaking under him. He is now doing his best to avoid being forced into general elections. His crackdown in the occupied territories is one way he is using to avoid the elections. He wants to be able to tell Peres and the world: 'I have brought the West Bank and Gaza under control.' "

SOUTH LEBANON

It was also to gain internal support that Begin made plans to invade South Lebanon, al-Hassan said.

"He feels that his entire political future now depends on a dramatic action against the PLO and Syria. He thinks a successful invasion of the South would give him back the support of Israeli public opinion, after which he could go to a general election with confidence.

"But because he cannot take such a major action in the present internal circumstances without the support of the opposition, he held his famous meeting with Peres. In that meeting, according to our intelligence reports, he proposed to Peres that he launch a major invasion and occupation of South Lebanon. He said he would then refuse to withdraw until the Syrians pulled out of Lebanon, the Palestinian resistance in Lebanon was destroyed and the Lebanese government signed a peace treaty with Israel, thus expanding the Camp David agreements.

"The Israeli opposition's response was that they approved the plan on two conditions: that the invasion not be launched before April 25, and that it be launched in full coordination with the United States.

"Begin wanted the invasion before April 25 to force Hosni Mubarak into a political line which he would find difficult to change later. His position, also, was that he did not need Washington's green light formally, because the Pentagon, he believed, approved of the plan. But Peres stuck to his two conditions, and the U.S. also opposed. The U.S. wants Israel to flex its muscles to help it push its plans through as it continues its efforts to regain the region and as it prepares to do something in Iran in the future. But it disagrees with Begin about the timing."

If Begin, true to form, ignores all these considerations and launches the invasion before April 25, he will do so without any international or internal support, "which will give the PLO a political advantage," al-Hassan said. "And if we perform well on the battlefield, we may go through a stage similar to the stage that followed the 15-day war" in the summer of 1981, which produced the Palestinian-Israeli cease-fire now in effect.

"We have made all possible preparations in the South, and who knows — perhaps, if Begin decides to go ahead with this insanity, we will be living through historic days which will push the entire region into a new stage."

Al-Hassan concluded that although he felt it was important for Begin, the second ingredient in the Camp David agreements, to fall, "I would find it hard to part with him. His stupid policies have made him our greatest ally, making it possible for us to achieve major victories which we would have found more difficult to achieve had Peres, the fox, been in charge."

FOURTH ANNIVERSARY OF SAUR REVOLUTION CELEBRATED

Triumph of Revolution

Kabul KABUL NEW TIMES in English 26 Apr 82 p 2

[Editorial]

[Text]

Four years ago on April 41 a long-cherished aspiration was fulfilled when the popular Saur Revolution triumphed at the actual and potential will of the toiling people of Afghanistan. On this day the people of Afghanistan who had suffered for long and sorrowed over their tellow-people's misery. shattered, under the leadership of the People's Democratic Party of Afghanistan, the many shackles that had bound their fellow-countrymen.

The triumph of the revolution, backed by broad masses of the population, opened new horizons of hope for the downtrodden people in this country for a bright future. It was the dawn after a long. dark night. The victorious revolution was overwhelmingly welcomed by the toiling people in this country because its objectives and lofty ideals were aimed at a rapid advance along the nationaldemocratic path. It was

aimed at sreedy and selfreliant economic growth of the nation which exploiters and tyrannical regimes of the past had kept in a state of preindustrial backwardness. It aimed at a series of democratic achievements in the socio-economic and cultural fields, ranging from democratic land and water reform to development of balanced education and enhancement of women's social status.

Since the victory of the revolution, especially after it entered its new phase, events of great importance have occurred affecting various aspects of life in this country. Now that we are marking the fourth amiversary of the revolution, our thoughts focus on the significant gains attained in the interest of the working people who have suffered much in the past under the

much in the past under the oppression and tyranny of the feudal order.

The achievements made by the Afghan people in the last four years in various fields are immense and numerable. Notwithstanding the obstacles posed by international imperialism and reaction and their lackeys and flunkeys to smooth development of the revolution, the people of Afghanistan are forging ahead to achieve final victory. The toiling people are increasingly rallying around the PDPA and they are organised and mobilised in various social organisations

The two important events in the life of the party and the people of Afghanistan have been the establishment of the National Fatherland Front and the convocation of the countrywide PDPA conference. The founding of the NFF was widely welcomed by the people and the formation of the NFF as a proud symbol of popular support for the revolutionary sovereignty of Afghanistan and as the centre for rallying all strata and social and national forces, vividly indicates that the ascirations of the people, the party and the Government are being realised step by step and stage by stage.

The NFF unites all toilers, all workers and intellectuals and all national and democratic forces and all brother nationalities and tribes residing in Afghanistan and political and social organisations under the leadership of the PD-PA, so that the historical mission of building a new society may be better fulfilled.

At the countrywide PDPA conference, a most important document, that is the Programme of Action, was approved which derines the new responsibitities and obligations of party members in carrying out their revolutionary tasks. The programme is based on a protound and all-out evaluation and determines the future duties of national and democratic transformations in all walks of life of the society for transition to a society of justice in a specific and scientifically-organised manner.

Now that the toiling people of Afghanistan are celebrating and observing the fourth anniversary of their national and democratic revolution, it is appropriate to pause for a while and see what has been done in the past to ensure the wellbeing of the people and socioeconomic development of the country and what can be done in the years to come to translate into action the objectives set by the popular revolution.

While congratulating the people on this auspicious occasion, we hope for further success of the party, the Government and the people of Afghanistan in their march towards revolutionary transformations in the country and for building a blossoraing society where everyone may live in peace, security and happiness.

Afghan-Soviet Friendship Chamber

Kabul KABUL NEW TIMES in English 25 Apr 82 _no page No. given7

[Address by Dr Ratebzad, member of Politburo of PDPA Central Committee]

[Text]

KABUL, April 25 (Bakhtur) — Dr. Anahita Ratebzad, member of the Politburo of the Central Committee of the People's Democratic Party of Afghanistan and President of Peace, Solidarity and Friendship Organisation of Afghanistan, inaugurated the Afghan-Soviet Friendship Chamber at Jangalak Factories yesterday.

Dr. Ratebzad addressed the function held on the occasion of the inauguration of the friendship room, the commemoration of the 112th birth anniversary of Vladimir Ilyich Lenin, the leader of the workers of the world, and the eve of the fourth anniversary of the glorious Saur Revolution, on the friendly and fraternal relations of Afghanistan and the Soviet Union in a period of over sixty years and said that the continuation of the triendship is in the interest of the peoples of the two countries.

In part of her inaugural speech she said: "The inauguration of the friendship room, although physically small, is indicative of the essence of the great friendship of the people of Afghanistan with people of the great country of the Soviets. Let us welcome this real friendship together because friendship result in solidarity and solidarities, in their turn, secure peace in the world."

She added, "The PDPA and the DRA firmly believe in the constructive power of the workers and the toiling people and have always endeavoured and will do so for the improvement of their living standard and well-being of the people. The PDPA programme of action, in fact, has paid ample attention to the improvement of living conditions of our country's workers and the toiling peopie. .

Head of the technical experts as well as a member of the executive council of the friendship room also talked on the friendly and fraternal relations of the two countries and expressed hope for the further consolidation of the ties.

At the end, the participants visited the friendship room as well as various sections of the factories.

Equal Rights for Nationalities

Kabul KABUL NEW TIMES in English 25 Apr 82 p 2

[Editorial]

[Text] Afghanistan is a country in which different nationalities, Pashtoons, Tajiks, Hazara, Turkmen, Uzbeks, Baluchs, Nooristanis etc. are living. These

nationalities have their own historically rooted traditions and customs. In the course of our history, in spite of their cultural and regional differences, they have always remained united and fought against the oppressors and aggressors unitedly. The three Anglo-Afghan wars and subsequent events are the clear testimony of this reality.

The past despotic and anti-national regimes, were fanning the national disputes and differences in order to prolong their own shameful lives. They used to provoke nationalities against one another to continue their own existence and the influence of their imperialist masters.

The national democratic Saur Revolution, which came to victory by the will of the toiling people of the country, and with the active and all-sided participation of all national and democratic forces of all nationalities under the leadership of the People's Democratic Party of Afghanistan is a turning point in the ancient history of our beloved country and has its own special traits.

Babrak Karmal, General Secretary of the PDPA CC and President of the Revolutionary Council of the DRA in his report to the countrywide conference of the PDPA said: "Our revolution is developing and expanding in a country which has a complex national and tribal composition. Our revolutionary party and government will pay serious attention to reasonably and properly solving this complex problem which is inherited from the past."

The DRA Government was the first to ensure the real and full equality of the rights of the nationalities. It has provided appropriate grounds for the prosperity of all nationalities and tribes and for their material and moral development.

The Programme of Action of the PDPA adopted at the countrywide PDPA conference says among other things "The state of the Democratic Republic of Afghanistan is determined to ensure complete equality of rights and possibilities for the material and moral development of all nationalities and tribes of the country."

We are well aware that the major obstacles in the path of realising the real equality of the rights of nationalities as well as for the solution of difficulties and problems arising from the complex economy and the complicated national and tribal structure lie in the lopsided and uneven economic, social and cultural development, of different regions of the country.

Therefore, our revolutionary party and state pay special attention to the growth of underdeveloped regions in order to provide the ground for the social and cultural development of tribes and nationalities.

The raising of the living standard of tribes and nationalities and the solution of the national issues in a just and democratic manner are not possible without realistic and well-knitted programmes based on objective possibilities.

Kabul KABUL NEW TIMES in English 26 Apr 82 pp 2, 3

[Text]

The achievements scored in the tour eventual years since the victory of the glorious Saur Revolution are impressive. Notwithstanding the subversive activities of international imperialism and reaction and their soidout lackeys and flunkeys, tangible strides have been made in all spheres of life. Following the victory of the revolution, especially its new phase, the DRA Government launched comprehensive programmes and plans aimed at achieving national-economic development and socio-economic transformations.

In the span of four years especially in the last two years, many constructive projects have been implemented and a host of other are near completion, contributing immensely towards improving the living conditions of the toiling people in this country and overall and balanced socio-economic development.

SOCIAL SERVICES:

The DRA Government is paying serious attention to protection of the health of the people and through improved health services. In the last two years, easily accessible health services. both preventive and curative, have been made available. The number of health centres as well as the Government-run drugstores has been considerably increased at the centre and in provinces. Now modern health services are readily available in the urban and rural areas. The mother and child health centres have been further equipped and the Family Planning Programme has achieved some successes in expanding the scope of its activities throughout the country.

The number of kindergartens in Kabul was raised from 12 to 19 while, before the revolution, there were only 12 at the centre. The total number of kindergartens at the centre and in the provinces has now reached 36. A number of new nurseries have been set up.

The number of publications, libraries and other means to help people enrich their knowledge has also been considerably increased. The achievement made in the drive for eliminating illiteracy, a chronic social evil in this country. been remarkable. Growing numbers of people, both men and women, are enrolled in the literacy courses and results obtained so far raises hopes that the plan target set by the Government for total eradication of illiteracy will be achieved.

Other public services such as transportation, communications, city transport, air and overland transportation have undergone tangible changes to the benefit of people.

To give but a few example of the work done following the revolution in the field of social services, one can note the following important measures:

A workers, village, housing 568 workers, has been built. The wages of workers and wage-earners was raised by 26 to 50 per cent. A new bakery with a production capacity of 75 tons in 24 hours was built. The Watan Parwareshgah, a ccntre for rearing orphans and parentless children, was set up. Some four million peasants, in the country were exempted from paying land taxes for the years 1357 through 1359.

ECONOMY:

The Saur Revolution, as a national and democratic revolution raised, in view of the economy, the question of abolition of feudal and pre-feudal relations. creation of an independent national economy, accelerating the pace of economic development, in the industrialisation of the country, modernisation of agriculture and livestocking, raising the living standard of the people. These goals can be achieved through noncapitalist growth and a democratic solution of the land question, scientific socio-economic planning, a relative increase in the output of the public mixed sectors, establishing an effective and useful control over natural resources, training of technical cadres and conformation of international economic relations with national resources through consolidation and expansion of economic and technical cooperation with the friendly countr-

Following the new phase

of the revolution, the agtarian policy was revised to rectify the errors committed in the first phee of implementation of the land retorms. Measures have achieve been adopted to just distribution of land and water and organise peasants through agricultural cooperatives. Cooperatives unions have been set un. In the course of last two years 1.217 agricultural cooperatives have been established, organising some 200,-000 peasants.

Following the revolution, 290,000 hectares of land was freely distributed to 000 families. Seven mechanised farms were set up. To encourage the growers of two major industrial crops in the country, the purchase price of cotton sugar-beet was raised by 20 to 30 per cent and the sale price of chemical fertilisers and agricultural tools was reduced by 20 to 40 per cent

In the last four years since the revolution, a 217 per cent increase has been scored in export and foreign trdevelopmental The ade. within projects launched the five-year developmental plans numbered 249 and some of them have already become operational. Some 2 000 hectares of arid land have been brought under irrigation.

The production of natural gas was increased by over 19 per cent in 1359 compared to the two preceding years. The sale price of gas to the Soviet Union was increased as of March 22, 1981 by 30 per cent.

Democratic freedoms:

To ensure the equality of

rights among all nationalities inhabitaing. Afghanistan, departments were established within the compitation and translation Department of the Education Ministry to prepare the curriculum of primary schools where the media of instructions will be the mother tongues of Uzbek, Turkman, Baluch and Nooristani. The textbooks for the tirst and second grades have already been prepared.

All Afghan citizens, regardless of race, nationality, tribe, language, sex, living place, religion, education, property and social status, have equal rights and obligations before the law.

In the first days following the new phase of the revolution, over 15,000 political prisoners were released, regardless of political and ideological beliefs, class, sex, nationality, religion and language.

The Fundamental Principles of the Democratic Republic of Afghanistan, as the provisional constitution of the country, was drawn up and promulgated.

With profound respect for and in observance of the historical, national, cultural and religious traditions of the people and in accordance with Article 44 of the Fundamental Principles, the Supreme Council of Clergy and Religious leaders of the country was established last June.

Culture and education:

The PDPA, from the very time when it achieved political power, committed itself to bring about fundamental cultural changes in the country. And initial steps were taken towards preparing the ground for such

changes. As a striking examples, one can note the intensification of the campaign against illiteracy, expansion of publications in the country, and fundamental revision of teaching programmes at the schools and universities.

Similarly, the establishment of the Unions of Artists, Writers, Poets and the Union of Journalists are among the important gains of the revolution. The revival of the national museum was another service to the Afghan culture. In the years since the revolution, 13 new colleges and three night colleges have been established within the framework of the country's universities.

In the last two years, over one million have been enrolled in the literacy courses and 28,000 literacy courses have been set up.

The implementation of 10 year education course, introduction as media of instruction of the languages of minorities, and the launching of courses for post-graduates are other important gains of the revolution.

Social organisations:

One of the major gains of the revolution has been organisation and mobilisation of the masses to defend the revolution and take active part in the process of reconstruction of the new society. The most important social organisations are the Democratic Youth Organisation of Afghanistan. It was established in 1354 in Kabul and in a short span of time it was changed into all-Afghanistan youth organisation. For the first time in the country the Pioneers' Organisation was established, organising the boys and girls of 10 to 15 years of age.

The Women's Democratic Organisation of Afghanistan, founded in 1344, is the only popular organisation which has organised and mobilised voluntarily the vast strata of women in the country, regardless of their tribal and ethnic relations, religious, ideological and political beliefs, for defending the homeland ensuring rights of women, caring for the child, ensuring lasting peace, democracy, and national independence. The WDOA is a member of many international organisations and has established friendly ties with 36 sister organisations in the world. It has also forged contacts, with the United Nations Organisation and other UN specialised organisations such as the UNESCO and the UNICEF.

Other leading social organisations established during these revolutionary years are the DRA Trade Unions, and the DRA Organisation for Peace, Solidarity and Friendship.

International arena:

In the course of four years since the victory of the Saur Revolution, the DRA Government, under the PDPA leadership, has been able to establish and consonate its unshakable and firm traternal relations, based on internationalist somerity, with the Soviet office and the Socialist community.

The Government, in pursuance of its peaceful poncy based on peaceful coexistence, has constantly expressed its readiness for a settlement of the situation around Afghanistan. The proposals of the May 14, 1980, and August 24, 1981 of the DRA in this regard are the manifestation of goodwill of the Government for a peaceful settlement of the situation around Afghanistan.

The DRA, as a nonaligned country along with other nonaligned countries and, in coordination with the natural allies of the nonaligned movement that is the camp of peace and Socialism, is actively struggling against the war-mongering policy, colonialism, zionism, racism, fascism, and apartheid. It also strives actively for defence of world peace, general and complete disarmament and cessation of the arms race, prevention of nuclear proliferation, dismantling of aggressive military bases in the foreign lands, development and deepening of the process of detente and establishment of a just and international economic order.

The Government has taken an active part in the efforts towards ensuring world peace and security and has raised its peaceful voice through international forums including the General Assembly. The convening of the 10th session of the Presidium of the Afro-Asian Peace and Solidarity Organisation in Kabul last November was as a prominent and striking example of the militant solidarity of progressive forces of the world with the revolution and the people of Afghanistan.

AFGHAN MILITARY CHARGE IN DELHI REPORTEDLY DEFECTS

Bombay THE TIMES OF INDIA in English 13 Apr 82 p 9

[Text] New Delhi, April 12 (UNI): Col Zia Majid, the military attache at the Afghan embassy, is the most important of the three embassy employees to have defected to the West in two years.

He left on Tuesday for Vienna, where he obtained political asylum through his brother, who is married to a European, it is reliably learnt.

Col Majid had himself been in Vienna before.

He had not only helped the late Mr Mohammad Daoud to stage the 1973 coup but was also in the good books of present Afghan defence minister, Mr Mohammad Rafi, who is now in Moscow.

After the coup, President Daoud appointed him commander of the Presidential guard before sending him to Vienna.

Col Majid was called back to Kabul after the takeover by Mr Babrak Karmal and appointed head of the foreign relations department in the defence ministry.

He was soon disillusioned and expressed a desire to quit on the plea of poor health. The defence minister sent him to India about a year ago as military attache on the ground that he could simultaneously have proper medical treatment here.

A few weeks ago, he secretly married a daughter of Mr Farouq Torabaz, a career Afghan diplomat, who had worked in the embassy here before defecting to the United States four years ago.

The marriage was solemnised by an Indian Muslim priest here. His bride, who holds a U.S. green card, accompanied him to Vienna.

CSO: 4220/7143

SUCCESSES REPORTED AGAINST COUNTERREVOLUTIONARIES

Kabul KABUL NEW TIMES in English 21 Apr 82 p 3

[Text]

The enemies of the revolution egged on by imperialism, Chinese hegemonism and reaction of the region are perpetrating crimes against the peaceful population and by burning the schools, hospitals and destroying the bridges, roads, irrigation networks and other economic infrastructures attempt to prevent the fulfilment of the tasks of the revolution.

These confessions made by a number of criminals and mercenaries recently captured, and carried by weekly Darafsh-e-Jawanan in one of its recent issues throw more light on the nature of the activities and the inhuman acts committed in the name of Islam. By these murderers and manslayers belonging to the different terroristic organisations based in Pakistan "Qari Mohammad Sharif Java, resident of Jurm district of Badakshan province says that three years ago he and another member of his band Haji Mohammad Gul were assigned in Shakar Dara district of Kabul province.

Here they burned schools, destroyed roads and distributed propaganda leaflets and subversive literature to the people. He had travelled twice to Pakistan and each time he had seen the American, French, Chinese and Pakistani advisors with Burhanuddin Rabbani, leader of the Jammiate Islami band.

According to Qari Sharif, Rabbani lives a luxurious life; but he does not pay the slightest attention to the plights of emigrees who live in a damp soil under the tents, and lead a life characterised by misery, disease and immorality, gambling and other sins. These are the vices which are rampant within the tents of the so-called Majahiddeen and this is jahad, the holy crusade. Qari Sharif says that often there is a quarrel between the different groups of mercenaries resulting in death over acquiring the money or the daughter of each other.

Another ugly face is Abdul Ghaffar, resident of the Jamal Agha district of Parwan province who was formerly a teacher in Rukha Panjsheer Lycee, who served as secretary of a juge since he joined the Jammiate band. He admits that in violation of the revolutionary council's decree, which gave the land to the tillers free of charge, he was collecting taxes and levies on these lands from the tillers and recovering the money on land mortgages and sharing it with the landlords. He savs that he passed a death sentence on many persons and carried out these sentences. Among the persons who were sentenced to death he recalled the names of Sakhi Mohammad. Mohammad Sharif. Saiturrahman and Abdul Rahman, two of them school teachers.

He disclosed that the bodies of those who were thus killed by the bandits taken to the villages, and the villagers were told that they were killed by the Soviet forces or the DRA armed forces.

The third person Amir Jan. son of Safar Mohammad, resident of Bamian province who lived in Doghabad of Kabul was a member of Jammiate band. He confessed that he travelled five times to Pakistan and each time brought arms and used it against innocent people. He set fire to the Ghazi Abdullah school.

When asked as to why he did this, he answered: "Any-body who goes to school becomes infidel".

Another criminal is Abdul Latif, son of Haji Gul, resident of Enjeel district of Herat province. He confessed that he in Afghanistan and also in Iran had carried on subversive activities against the government and the people of Afghanistan and Iran. He said that the Afghan emigrees, particularly those belonging to the Jammiate band and the so-called Islamic Party were involved in subversive activities against the Islamic Republic of Iran.

Latif who claims to be a photographer said that he was taking pictures of the persons killed by the Jammiate band. He also confessed that he was taking the pictures of the tanks and motor vehicles and gave them to the propaganda section for false

publicity.

Mohammad Gul another notorious criminal and ring leader is from Khwaia Lakan of Paghman, better known as Lab Chak (bunny). In the beginning he was a member of Jammiate and later joined Naser and finally entered the "Ithehad" band and had masterminded many a vile plot. These included kidnapping and then killing of an officer of the DRA armed forces from Mir Wais Maidan of Kabul city, destroying telephone switchboard Niazbeg region, setting fire to two schools of Charqala and killing of another two government official. He was caught red-handed when he attempted to plander two vehicles. When asked as to why he changed his lovalties to this or that band so frequently, he "when a man is active and successful, he is sought for and bought by other rival groups".

CAMPAIGN LAUNCHED TO IMPROVE TRAFFIC SAFETY

Kabul KABUL NEW TIMES in English 26 Apr 82 p 3

[Interview with Kabul Traffic Department President Abmadyar]

[Text]

the department of education and propagation of Kabui Traffic Poice Department has recently published an illustrated booklet.

The booklet aims at providing the public with ample information pertaining to traffic rules and regulations so as to better regulate traffic flow in the cities and highways and reduce the casualties resulting from lack of knowledge on the part of drivers.

In an interview with the reporter of the Kabul New Times Samonwal Mohammad Ali Ahmadyar, President of the Kabul Traffic Department said: "As the number of vehicles increases in the city streets. it naturally creates problems too. Most of the cities where the population is on the increase this problem has been felt in greater extent."

In our country, he added, concurrent with the increase of people in the cities, and the increase in the volume of vehicles on the streets, we also faced

many traffic problems. In order to cope with these problems, to ensure the safety of our people and observe traffic rules and regulations, ignorance of which used to take the lives of citizens and cause material losses, the traffic department recently adopted some new measures. The department, for instance, provided arranged installation of more traffic marks and signs for the guidance of vehicle drivers and pedestrians.

The recent illustrated publication bearing traffic marks and other detailed information about traffic rules and regulations would surely prove most beneficial in ensuring traffic and pedestrian safety on the city streets.

Ahmadyar further stressed that a new traffic law has been prepared and enforced by the Kabul Traffic Department for the ensuring greater safety, streamlining of administrative procedures in the Kabul traffic department and provision of more facilities for the vehicle owners. This traffic law, he added, has

heen prepared in accord with the international traffic convention taking in view the environmental conditions of our country. It should be stressed that all the fundamental provisions of the 1968 Vienna convention, to which Afghanistan is also a signatory, have been embodied in the new traffic law. On the basis of decision of the above convention all the traffic rules, regulations and marks and in insignia in all the participating countries should be uniformed. Likewise, in preparation of this law special conditions, socio-economic problems and the requirements of our people have been taken into consideration.

Under the new traffic law, the traffic department is duty-bound to adopt the following measures:

—Convening of traffic training courses at the traffic department for acquaintance of drivers from the armed forces, transport institutions and individuals with the traffic law and its different marks insignias; preparation and printing of needed traffic directives, insignias and marks, in the form of brochures, leaflets and their dissemination among the public and their installation in proper parts of the city. Propagation of traffic rules in the forms of coloured signs through the Radio-TV, cinema houses, magazines, newspapers and publication of other needed materials.

Ahmadyar added that the cooperation of the Ministry of Education has also been sought for the effective training of school students and kindergartens attendants in the traffic rules and regulation. "We are sure that implementation of this programme will prove very fruitful and to a great extent would prevent traffic incidents on the part of school children", Ahmad yar added.

CSO: 4600/452

THOUSANDS TO BENEFIT FROM LITERACY COURSES

Kabul NEW TIMES in English 15 Apr 82 p 3

[Interview with Dr Baten Shah Zafarzai, president of the Department for Campaign against Illiteracy]

[Text]

Over 600 thousand illiterates will be enrolled in the literacy courses in the country, during the current Afghan year, begun on March 21, 1982.

This forms part of the developmental plans of the Democratic Republic of Afghanistan drawn for campaign against illiteracy throughout the country.

The above was stated in an interview with the reporter of the Kabul New Times by Dr. Baten Shah Zafarzai, President of the Department for Campaign Against Illiteracy.

In a developing country such as Afghanistan where the percentage of illiterates is high, it is necessary that constructive and bold steps are taken to resolve this shortcoming. Therefore, the Revolutionary Council of the Democratic Republic of Afghanistan during the Afghan year 1359 instructed the related organisations to adopt concrete measures to ensure the complete elimination of illiteracy in the cities within seven years and in the villages in ten years.

The Departmet for Campaign Against Illiteracy has directed all its activities to achieve this aim.

Over fifteen thousand instructors will be engaged in conducting literacy courses under the plan of the current year. Over 3,000 instructors are those who have offered their services on a voluntary non-payment basis.

The Department for Campaign Against Illiteracy has so far signed two protocols for enlisting cooperation of other social organisations. One is with the Democratic Organisation for Women of Afghanistan and another with the Agricultural Cooperatives Department. These are of utmost importance and will greatly enhance this department's efforts for the expansion of literacy services among the masses of the country.

Elucidating further, Dr. Zafarzai stressed that on the basis of the Revolutionary Council's decree a central state commission for elimination of illiteracy has been established under the chairmanship of Pohanmal Guldad, Deputy Chairman of the Council of Ministers and Minister of the Higher

and Vocational Education. Dr. Faqir Mohammad Yaqubi is the deputy chairman of the commission. The commission in its first session studied and presented the fundamental plans for eradication of illiteracy in the country which was later endorsed by the Council of Ministers of the DRA.

The Department for Campaign Against Illiteracy, Dr. Zafarzai added, in order to help educate the adults. those who due to certain reasons could not follow their education as well as those who graduate from the literacy courses has opened a number of complementary schools in various localities. Similar schools will also be opened in Nangarhar, Balkh, and Kandahar provinces during the current Afghan year.

Zafarzai said, the department's teachers before starting their duties undergo three-weeks training. They are then engaged for one-month's experimental period after which may be regularised. This process helps in having really qualified and competent teachers on the job. They also participate in the training seminars sponsored by this department every Thursdays in the different zones.

The teaching materials and stationary are provided in the main by the state. Only about six to seven per cent of the materials, e.g., paper, printing machines, etc. are procured through the assistance from the international organisations. Most of the textbooks and other reading materials have been compiled and printed in Dari and Pashtu lan-

guages. A general literacy book in Uzbeki language has also been compiled and will shortly be published. Work on the compilation of new textbooks in other languages of Afghanistan continues.

He added that the academic year for a literacy course has been fixed at 315 hours. People in the eight to fifty years age groups can enroll themselves in the literacy courses.

During the pre-revolutionary days, the total number of literacy courses' graduates was 5265. This figure is not comparable in any way with the present enrollment and the number of graduated from these courses. After the Saur Revolution around 251,385 persons have already graduated from the literacy courses. This is a great success in the DRA's efforts for eradication of illiteracy from our country, he add-

Few weeks ago a training workshop on the population education was organised by the Department for Campaign Against' Illiteracy with the cooperation of UNESCO in Kabul. In this workshop, in addition to a number of professional and administrative officials from this department, a number of representatives from the interested institutions. such as Kabul University, Central Statis-Department, Family Guidance Association, the Compilation and Translation Department of Education Ministry, Public Health Ministry and a number of other organisations participated. Matters discussed

in the workshop included: Equipping the youngsters with science and technology pertaining to changes, problems accruing from population growth, and the problems emanating from population growth from the viewpoint of environment, food, clothes, education, employment, and other social problems.

This department will endeavour to utilise the experiences gained from the population education workshop and will apply them in its literacy education programmes. Studies in this sphere are continuing and it is hoped that in application of these new methods satisfactory results will be obtained.

Dr Zafarzai added that for the first time in the history of Afghanistan educational programme has been started by the Department for Campaign Against Illiteracy, for those children who due to certain problems were left out of the schools and whose ages range from nine years to fourteen years. The curriculum for these students has been devised in such a way that they will complete from grade one to four in a twoyear period. This includes four semesters with each semester being completed in four and a half months equivalent to a school year. At present fifty such courses with the enrollment of 1.000 students are continung. This department plans to further expand this programme in the capital as well as in the provinces of the country. during the current year.

COMMERCE MINISTER ON GULF ECONOMIC COMMUNITY

GF240758 Manama WAKH in Arabic 0618 GMT 24 Apr 82

[Text] Ad-Dammam, 24 Apr (WAKH)--Bahraini Commerce and Agriculture Minister Habib Ahmad Qasim has affirmed that the GCC states will begin their first step toward the establishment of a Gulf economic community this year.

In a statement published in the Saudi paper AL-YAWM today, Habib Ahmad Qasim said: "We shall lay down the first brick by allowing the transportation of commodities and agricultural and industrial products among the GCC states duty free."

He explained that the issue of the Gulf economic community is being discussed by the committee of finance, economy, commerce, industry and agriculture ministers in the region's states. He added: "What is important at the present time is to provide a domestic production that would reinforce the idea of establishing the economic community."

Talking about the causeway that will link Bahrain with Saudi Arabia, Mr Qasim said: "There are many benefits from the causeway in the economic, commercial and industrial fields. However, the purpose of constructing this causeway is not purely commercial. The causeway will increase the cohesion between the two fraternal peoples in Saudi Arabia and Bahrain in particular, and among the rest of the Gulf states in general."

The Bahraini commerce and agriculture minister noted in his statement that the first GCC agriculture ministers conference will be held toward the end of this year. He explained that contacts on this matter have been made among the GCC agriculture ministers and with the council's general secretariat.

He also indicated that the GCC commerce ministers conference will be held in al-Ta'if in two months' time.

DAILY CRITICIZES ARAB INDIFFERENCE

GF240641 Manama AKHBAR AL-KHALIJ in Arabic 23 Apr 82 pp 1, 4

[Untitled editorial]

[Text] The stand of the Arab states toward Lebanon and the Palestinian question is very strange and almost incomprehensible. On the one hand, we find that there is no Arab unified move to support Lebanon and protect it against the Israeli aggression and help it settle the political crisis it has been suffering, while on the other hand, we find that the Arabs have no plan to resolve the Palestinian question on any level, as if they are leaving the matter to time.

If, in addition, we take into consideration the U.S. alliance with the Zionist enemy, a very serious situation will undoubtedly materialize before our eyes.

It may be possible to overlook the question of a complete strategy as far as the Palestinian and Lebanese questions are concerned. However, this does not mean that the Arabs can dissociate themselves from what is taking place in Lebanon and the occupied Arab territories. If the Arab attitude of turning away from Lebanon does not mean that they are disregarding it, what else can we call it?

Israel offered the Arabs every opportunity to work out an urgent and shortterm plan to protect Lebanon from the aggression that was never a secret. But they ignored the matter until Israel launched its aggression.

The Arab states with all their varying types of regimes and political inclinations must realize that the confrontation against the Zionist enemy is a national confrontation to defend Arab civilization and the Arab race in this land and to deter the Zionist threat which will not spare anyone as it proceeds with its expansionist plans.

Thus, it is meaningless to make Lebanon the scapegoat because once it is swallowed by Israel, more Arab territories will follow. There is only one alternative and that is confrontation and preparation because we have wasted too much time.

CAMP DAVID 'SECRET COMMITMENTS' ALLEGED

GF181715 Manama AKHBAR AL-KHALIJ in Arabic 18 Apr 82 pp 1, 15

[Untitled editorial]

[Text] The strangest statement ever made by an Egyptian official to assure Israel and prove Cairo's good intentions and behavior in implementing the peace treaty was that made by an official who said that there is no room for any more concessions because Egypt has given Israel more than what the Camp David accords stated and because Egypt has not benefited completely from its right, ensured by military annexes, to station forces in territories evacuated by the Israeli forces in Sinai.

Regardless of the commonplace view that the side which always makes concessions or shows readiness is the weaker side, and regardless of the fact that whoever starts making concessions will become subject to continuous blackmail to make more concessions, what really attracts attention is the Egyptian official's confession that Cairo has given Israel more than what the treaty stated. Why?

Such a statement is subject to one interpretation: There are other secret commitments that no one knows about except the Camp David parties. The treaty's texts which, as announced, impair Egypt's sovereignty over Sinai are nothing but a curtain that conceals the true agreement patronized by the United States, dictated by Begin, and signed gladly by al-Sadat, an agreement whose boldness astonished Carter.

The nature of this unpronounced agreement or so-called secret annexes are what encourages Begin now to exercise his (won right) to dictate the new conditions to al-Sadat's successor and heir of the burdened political legacy.

Begin does not exercise this right now just to humiliate and make Egypt kneel. He aims at guaranteeing new arrangements following the withdrawal of the Israeli forces from northern Sinai. These arrangements will ensure that Israel can keep the upsurge of the occupied territory inside the occupied territory and prevent it from expanding an inch outside the border of the West Bank and Gaza Strip.

In another sense, Begin wants Israel to remain the only disposer of the Palestinian cause even if Egypt returns to the Arab fold.

BRIEFS

AMIR INAUGURATES NEW AIRBASE—His Highness Shaykh 'Isa ibn Salman Al Khalifah, amir and supreme commander of Bahrain defense force, at 0930 today patronized a ceremony marking the inauguration of an airbase. The amir, who was accompanied by the prime minister, was received on arrival by Shaykh Hamad ibn 'Isa Al Khalifah, heir apparent and commander in chief of the defense force; Staff Brig Shaykh Khalifah ibn Ahmad Al Khalifah, chief of staff of the defense force; and Maj Nabil Ibrahim Kamal, chief of the air wing. The inauguration ceremony was attended by distinguished figures of the ruling family, ministers, Maj Shaykh 'Ali ibn Khalifah ibn Salman Al Khalifah, ministry under secretaries, senior officials and senior defense force officers. [Excerpt] [GF261144 Manama Domestic Service in Arabic 1030 GMT 26 Apr 82]

PALESTINE, AFGHAN PEOPLES' WEEK--Shaykh 'Abdallah ibn Khalid Al Khalifah, justice and Islamic affairs minister and chairman of the Bahrain Committee for Aiding the Afghan people, chaired the committee's ordinary meeting at the ministry this morning. The meeting was attended by representatives of the concerned ministries. The conferees discussed holding a week called "The week for aiding the Islamic people in the occupied territories in Palestine, Afghanistan and Eritrea." The week will begin on 8 May, during which funds will be collected from citizens and commercial establishments to be dispatched to the Mujahidin in these Islamic countries to assist them in their struggle, as the Bahraini people's contribution to their just struggle against the forces of evil and aggression. [Text] [GF180538 Manama Domestic Television in Arabic 1700 GMT 17 Apr 82]

FORMER ARAB LEAGUE SECRET/RY--Manama, 17 Apr (WAKH)--Shaykh 'Isa ibn Salman Al Khalifah, the amir of Bahrain, met today with Mahmud Riyad, former Arab League secretary general, who is currently visiting Bahrain. Shaykh Khalifah ibn Salman Al Khalifah, the prime minister, and Shaykh Muhammad ibn Mubarak Al Khalifah, the foreign affairs minister, attended the meeting. After the meeting, Mr Riyad said he presented to the amir a copy of a book he wrote on the Arab issues and the events he witnessed. The former Arab League secretary general expressed his dismay over the current events in the region. "To tell the truth, developments in the region make me sad because of the Arab differences that exist while the Zionist enemy continues to occupy our lands," he said. He expressed hope that the continued GCC meetings will be a positive factor in resolving the Arab differences. "I hope

these meetings will be effective enough to restore Arab solidarity and unity," he said. Mr Riyad arrived in Manama on 15 April on a visit to the Gulf countries. [Text] [GF171439 Manama WAKH in Arabic 1255 GMT 17 Apr 82]

ISLAMIC FUND BRANCH--HH the Amir, Shaykh 'Isa ibn Salman Al Khalifah, has agreed to set up a branch of the Islamic Finance Fund in Bahrain. He was briefed on the activities of the institution yesterday by the director of the fund's Supervision Council, Prince Mohammed Al Faisal, currently visiting Bahrain. Prince Faisal said after the meeting: "I believe the establishment of an office here would be beneficial both to Bahrain and the institution." [Excerpt] [GF181105 Manama GULF DAILY NEWS in English 18 Apr 82 p 3]

FORMER PREMIER DISCUSSES WAYS TO INCREASE PUBLIC SECTOR PRODUCTION

Cairo AL-AHRAM in Arabic 22, 23 Feb 82

/Article by Mustafa Khalil: "The Philosophy and Heans of Developing the Public Sector"/

/22 Feb 82 p 7/

/Text/ There are about 372 publicly owned companies in Egypt. Their workforce accounts for 15 percent of the workforce in Egypt and the total capital invested in them comes to about 20 billion pounds. These companies are commonly called the public activity sector, in view of the nature of the ownership.

In the various countries of the world, advanced and developing ones alike, in spite of the differences in their political and economic systems, various economic units are publicly owned, and consequently public ownership, in spite of the differences in the proportions and degrees of its dominance, is an actual fact that one cannot change or repudiate.

The real reason for the need to contribute money to economic activity lies in the importance of having the government promote the production process and accumulate private and public savings, especially in developing countries, to achieve higher national goals that the private or joint sectors, by their nature and composition, cannot achieve.

One of the most important of these goals is leadership of the economic development process with the objective of achieving the highest possible rates of production increase and resultant increases in national income and exports, and reduced rates of dependance on imports. On top of that, it is a means for achieving society's goals of social justice. In this sense, the issue of public ownership becomes a means for achieving higher national goals rather than a goal in itself.

At the same time, total or partial public ownership of the public activity sector does not conflict with the principle of making a profit; to the contrary, profit remains one of the basic elements, if not the basic element, in determining the degree to which the goals the public activity sector was established to attain have been reduced, whether the notion of profit is economic or social.

In order to meet these criteria, it is necessary to give the public activity sector an opportunity equal to that of the joint or private sector in terms of management techniques, decisionmaking, provision of necessary financing, product pricing, and other elements that govern its activity in the various stages of its development from its origins to its maturity.

First: The Most Important Problems

Among the most important problems the public activity sector is suffering from now are:

- 1. The system of subordination now being followed in regard to it. Most public activity sector companies are subordinate to ministries or general organizations, which has caused the sector to be managed in the same way as government administration, and has created many financial and administrative systems which are not in keeping with the freedom of movement this sector needs to become obsolete.
- 2. The existence of an obvious disruption in the financing structures of some companies in this sector, because of a deficiency in paid-up capital, the absence of sufficient money for replacement and renovation, or the paucity of the financial surpluses left over after the general budget surpluses are converted, not to speak of gross expansion in the volume of indebtedness.
- 3. Its commitment to government pricing policies, which in many instances lead to the sale of its products at subsidized prices--"social prices"--that are below the economic prices that cover the expenses of production and attainment of a suitable profit.
- 4. The existence of idle capacity in many of its units, because of a deficiency in management and management systems, the existence of surplus labor in some of its companies, or deficiencies in its financial structures, which are reflected in deficiencies in its profit levels and the fact that some of its units realize a loss.

It is extremely important to remedy these problems with the requisite speed. On this subject, we are in agreement with the broad outlines of the recommendations contained in the report of the Plan and Budget Committee of the National Democratic Party on developing the public sector in Egypt (September 1980).

Goals of the Recommendation

- 1. Here we are concentrating on development philosophy in itself, which is to limit government intervention in the management of public activity sector companies by giving management the necessary freedom to administer it in accordance with scientific bases that are recognized in various countries of the world, so that this sector can realize the economic goals expected of it.
- 2. Creation of a new method for mobilizing private domestic savings for use in investment activity, specifically in priority economic and social development plan

projects. There is no doubt that mobilizing these savings and orienting them toward domestic investments will help limit the increase in family sector consumption rates and will give a new impetus to investment efforts. This is the essence of the policy of productive liberalization.

3. Performance of a real, effective role in investment activity, on the part of financial institutions, whether these institutions are domestic, mixed or foreign banks, or even insurance companies, considering that they are institutions whose activity is pioneering in nature in the various countries of the world.

Subordination and Management Technique

The advanced countries in which a public activity sector exists have tried to seek the best means for determining what this sector should be subordinate to, and they all, including the centrally planned countries, have concluded that it is necessary to limit owner intervention in management. Therefore, we find that the government, while it is the owner, does not take the position of administering this sector directly by itself--rather, it has assigned this task to specialized bodies that own public capital to carry out, according to their activities, whether they are national banks, as in the Soviet Union, or domestic banks and specialized financial institutions, as in Japan and some countries of Western Europe such as Belgium.

In Egypt, however, the subordination of this sector to the government and the organizations subject to it, be they ministries or general organizations, remains. Therefore it has been natural that this sector would be directly or indirectly run in the manner and style of government administration, and consequently the basic problems of this sector remained as they were through the long years of the past, lacking radical solutions, in view of the difference between the system of government administration and that of activity sector administration.

To make it possible to put a limit to this sort of problem, it is necessary at the outset to settle the issue of what the activities sector in Egypt should be subordinate to, since that is the fundamental point of departure for solving the other basic problems this sector is suffering from.

Banks and the Public Activity Sector

In this regard, it is recommended that a review be made of the banking sector in Egypt. The number of banks registered at the Egyptian Central Bank has risen to more than 60, excluding offices of foreign bank representatives. These banks represent the nerve center of economic activity because:

- 1. They are the /most/ effective means for mobilizing the savings of Egyptians domestically and abroad.
- 2. They are the apparatus that is /best/ able to provide commercial credit for the various public companies in Egypt.
- 3. They are the apparatus that is specialized in evaluating economic feasibility studies and judging the extent to which they will succeed.

- 4. They are the apparatus to which the promotion of new projects is always assigned, in the search for people to share in the capital.
- 5. They are the apparatus that actually has contributed the major share of the capital to new projects.
- 6. In addition to their capital contribution, they have provided the financing necessary to establish new projects and continue work on them, through medium and long-term loans.
- 7. It is in their nature to monitor the execution of various projects, both those in whose capital they participate and those to which they have offered financing loans, in order to guarantee that work in them proceeds in accordance with the construction schedule, to make sure that the money deposited is properly invested and to ensure that their loans are paid back in the stipulated periods.
- 8. They are the apparatus to which the execution of monetary and credit policy in the government is assigned: they are the effective means for carrying out a large part of the government's investment policy.
- 9. On top of that, this apparatus is committed to the general policies the Egyptian Central Bank sets forth.
- 10. Last but not least, they can perform in direct or indirect subscription activities in place of private capital. It is not proper to ignore an economic activity agency of this importance which has a reservoir of banking and investment expertise spread out throughout the governorates and main towns of the republic, and has managed successfully to play its part in the context of Egyptianization, nationalization and liberalization, when one deals with the problem of the activity sector, especially since it has borne the bulk of the burden in contributing capital and offering joint project loans in the 7 years since 1974. Indeed, the national banks, in spite of intensified competition from joint banks and branches of foreign banks, have managed to develop themselves and hold onto about 90 percent of the volume of bank transactions.

Financial Institutions and the Activity Sector

If we look at the type of financial institutions that now exist in Egypt, in order to define their relationship to investment activities, we will find that it is possible to distinguish five different types:

- 1. Institutions wholly owned by the government, like the National Investment Bank, the National Bank, the Bank of Egypt, the Bank of Alexandria and the Bank of Cairo, on top of insurance companies wholly owned by the government.
- 2. Institutions in whose capital the government has more than a 51 percent share, like most of the joint banks the domestic banks have established in participation with foreign capital in applying the Investment Law.

- 3. Foreign and Arab financial institutions operating in Egypt in whose capital the Egyptian government has taken out participation, like the Arab International Bank and the Arab African Bank.
- 4. Branches of foreign financial institutions operating in Egypt, like Citibank and the Bank of Amman Ltd.

There is no doubt that the first type of financial institution can lead the investment process in Egypt; by virtue of its composition and financial ability, it can initiate investment activities, supervise their execution and monitor their results. The experience of the past 7 years has established beyond a doubt that it is possible to achieve this goal. These institutions are followed in importance by the financial institutions in whose capital the government has at least a 51 percent share, then foreign /and/ and Arab banks in which the Egyptian government is a participant. If it is possible to consider making domestic financial institutions represent public activity sector capital ownership, it will be possible to create the optimum means for subordinating this sector in a manner quite remote from direct or indirect government sector intervention. In this case the companies will become responsible to their general assemblies, there will be no interference in their administration, and thus the requisite economic management of this sector will be realized while it will be kept free from government bureaucracy.

Above and beyond that, there is the possibility of overcoming the basic problems facing the growth and development of the activity sector at present, as regards management style, deficiencies in financing structures, pricing problems, and problems of quality and production development in accordance with the recommendations that were listed in the report of the Plan and Budget Committee of the National Democratic Party in this regard.

Numerous advanced industrial countries in the east and the west have acquired experience before us in this matter, giving ownership of activity sector units to banks as agents for the people as a whole and the government as a means of subordinating ownership of the sector. Economic history since the 19th century has demonstrated the success of this experiment in the Soviet Union and in Western European countries such as Belgium and Germany. As long as domestic financial institutions are wholly owned by the government and have the ability to do this activity, they must do it.

In this case, domestic banks will be tantamount to holding companies for a group of activity sector units. Various units can be incorporated under each of them, representing horizontal conglomerates assuming the supervision of a specific production stage, vertical conglomerates assuming the supervision of integrated production states, or mixed conglomerates, for instance, with a textile company, a $\sqrt{\frac{1}{2}}$ reclamation company, another firm for food processing and an export-import firm belonging to the holding company.

In this instance, we recommend that the composition of the National Investment Bank's board of directors be modified so that it can be headed by a chairman with expertise and high educational and practical expertise who will be appointed for a 4-year period and be responsible for public sector activity companies before the

Council of Ministers and the People's Assembly, with a number of ministers included in the membership whose activity is directly linked to this sector, such as the ministers of planning, finance, industry and agriculture and the Central Bank governor, on top of the heads of domestic financial institutions and a number of outside experts.

This board will be given responsibility for carrying out the investment plan in the public activity sector field, guided by the general policies the government sets out in this regard in the framework of the economic and social development plan.

Representation of public sector capital in activity sector companies must be in accordance with the nature of each company's activity and the goal it is assigned to carry out, though one must accept that some industries might consider that their ownership should be confined to public capital, such as certain basic and strategic industries, while others might consider that public sector capital should settle for a majority in the totalpaid up capital which could range from 51 to 75 percent. In these cases, one can be confident of determining the general goals that the company was established for because representatives of public capital will have a majority in the board of directors and the general assembly. It is not necessary that public capital representatives be appointed from financial institutions; they could be appointed from people working in the government, experts, or university professors, as is the case with a number of companies.

In instances where the government considers it should have a presence in a specific economic activity, such as domestic distribution activity and some foreign trade companies, in order to help it at the beginning and follow up on its activity, it might be sufficient for the specific share of public capital in the total paid up capital to range from 25 to 40 percent.

Banks and Companies That Are To Be Established

It is of utmost importance to adopt the pattern that is economically observed in various countries of the world as a means for establishing companies in the activity sector. The first investment stages start with the notion of the establishment of a new project; at that point, a project identification study is made to determine the degree of actual need for the project in accordance with prevailing economic, financial and marketing circumstances.

Authorities belonging to specialized ministries, such as the Industrialization Authority in the case of the Ministry of Industry, usually perform this sort of preliminary study. If the project indentification is done and the project is listed in the development plan according to the recognized rules, it will then be possible to assign national financial institutions—banks and insurance companies—to conduct a pre-feasibility study on it, directly or with the help of specialized domestic consulting firms. In some cases it may be considered necessary to seek the aid of foreign experts, especially in the field of foreign market studies and industries with concentrated technological expertise.

If the project's feasibility is established in principle, it will then be possible to complete the full feasibility study with domestic and foreign partners if public sector capital has no less than 51 percent of the total project capital.

The full feasibility study will provide such basic project indices as information capital, the volume of loans, export prices, cash flows, profit indices and so forth. In this case domestic financial institutions will conduct the necessary promotional activities for these projects domestically and abroad to cover the necessary capital, and consequently the government agency's role will be confined to giving agreement to the economic feasibility study's conclusions and consigning the work of carrying it out to the domestic financial institutions.

Projects in which it is considered that public capital should have a less than 51 percent share can be assigned to joint banks operating in Egypt to carry out the necessary promotional activities, look for foreign partners and monitor their execution.

Perhaps the domestic and joint financial institutions operating in Egypt are the agencies most capable of ruling on economic feasibility studies, seeking out foreign partners and performing promotional activities domestically and abroad, as well as following up on the construction of projects in accordance with the schedule set out in the economic feasibility study. By this means we will relieve the government apparatus of the burden of carrying out all these specialized activities and will avoid many problems of practical application and problems of execution.

It might be said that many domestic banks perform essentially commercial activities and that some of them do not possess the specialized technical apparatus for investment activities that specialized investment banks do. However, this view fails to appreciate the proposed role of domestic banks as holding companies in the future and the financial ability provided in the national investment plan to renovate existing projects or establish new ones, not to speak of the possibility for expanding their investment departments so that they may represent a sector in its own right, such as the investment banks.

 $\sqrt{2}$ 3 Feb 82 p $\sqrt{7}$

/Text/ It would be beneficial to have varying degrees of private participation in the capital of some public sector firms where this principle is to be applied. If this is accepted, the financial institutions promoting the project may follow one or several of the following methods to attract private capital owned by Egyptians domestically or abroad to participate in some projects:

- 1. Invite a group of private institutions and companies to contribute to the shares in which private capital is to take part.
- 2. Have the bank promoting the new project subscribe to shares in the project's capital, directly or with a group of other banks, by subscribing a share of project capital on behalf of the private sector, on condition that this share be offered to investors in the private sector at a later stage. Thus it will be possible to cover the period of time from the commencement of the payment of capital contributions to the project's attainment of full productivity and the commencement of payment of returns on equity. This period of time does not always yield an economic return that is in keeping with the returns banks pay on the deposits in their possession. For this reason, people in the private sector are averse to contributing to the capital of investment projects, preferring to get rapid interest on their cash deposits.

3. Enable one or more institutions specializing in subscription activities to cover part of the capital in new investment projects on behalf of the private sector, so that they can later sell them to people who want to invest their money.

There is no doubt that the pursuit of the above methods, wholly or in part, will help mobilize private sector savings and increase the total funds invested in productive and service projects, especially since the private sector does not have the necessary expertise or competence to rule on economic feasibility studies for various projects and therefore always prefers to subscribe through financial institutions whose expertise it trusts. This helps mobilize greater private savings for investment activity and direct these savings into projects that have high priority in the development plan.

To encourage people working in existing or new companies to exert greater self-sacrifice and efforts in order to increase production and improve production quality, it is recommended that some of the monetary incentives that they receive be given in the form of ownership shares in the companies they work in. A group of employees can choose one or more people to represent it on the board of directors of each company, as is the case with the other stockholders who have shares in the capital.

The management of companies now in existence should be liberated and economic methods should be followed in pricing, production and labor by following two stages:

- 1. Transferring the ownership in all these companies to the National Investment Bank after its organization is changed and its goals are developed in accordance with what has already been mentioned in this regard.
- 2. Reviewing the financing structure of each company to ascertain its financial status in terms of the shortcomings in its financial structure, the extent to which it needs new replacement and renovation projects, and its need for investment expansions authorized in the economic and social development plan.
- A. If some existing companies are not suffering from shortcomings in their financial structures, they can successfully embark on their activities immediately, on the basis of the abovementioned foundations.
- B. If some existing companies are suffering from shortcomings in their financial structures, but do not need replacement and renovation projects, their capital can in this case be reappraised so that the National Investment Bank can hold onto ownership of it in full, while inviting domestic banks to help increase the capital they need to proceed with their activities and correct their financial structure.
- C. If some existing companies are suffering from shortcomings in their financial structures and at the same time do need replacement and renovation projects or expansions that have been approved in the plan, it may in that case be deemed proper to establish new companies to own capital in these firms in accordance with owner-ship rations that will meet the national interest, while re-establishing these companies and pursuing the various aspects of economic activity assigned to them.

Independence in the New Companies

The new activity sector companies must enjoy all the benefits provided by the Law on Arab and Foreign Capital Investment. After issuance of the decree bearing on establishment of the company and its publication in AL-WAQA'I' AL-RASMIYAH, the company will have an independent legal identity. Thus its board of directors will become the sole body responsible for management methods and the company's financial results before its general assembly. Thus all intervention, direct or indirect, in management of public activity sector units will be stopped, and the board of directors will have the right to propose its bills and bylaws on activities and set out a plan of activity, provided that the charters and the activity plans are approved by the general assembly.

All companies must commit themselves to applying the general laws issued in Egypt with regard to social insurance, industrial safety, minimum wages and other binding legal rules.

As regards the pricing of these companies' products, the rule must be to pursue an economic pricing system while giving the government the right to review pricing levels, in order to guarantee that this system is not abused. In cases where the government considers there is cause to subsidize the prices of some basic commodities, these commodities will be bought at these companies' economic price, provided that the final products are sold through distribution companies at appropriate social prices.

It is of the utmost importance to give these companies the right to handle their own financial resources as long as these have been approved in their annual plans. In addition, these companies must be given the freedom to handle foreign currency derived from earnings from their exports abroad, as regards the purchase of production requirements or certain production requirement processes and spare parts needed for operations.

As regards labor, the company has the right to determine the number and quality of workers necessary to engage in its activities. To this is connected the determination of the wage, salary and incentive levels for people working in them at a level not below the minimum stipulated by the government.

Since the board of directors does not pursue everyday activity inside any company, but that is always assigned to one or more appointed members heading certain executive committees, some labor representatives must therefore be included in the membership of these committees.

As long as the board of directors is given the necessary freedom to manage the company's affairs and recommend plans and programs of activity, the board of directors must be held accountable for the results of its activities before the general assembly, which represents the company's capital, and each company must have one or more auditors possessing expertise and competence. In addition, the current Central Accounting Agency oversight must continue.

Benefits of the Recommendation

The abovementioned recommendation on ownership nonintervention in management, turning domestic financial institutions into holding companies and establishing the National Investment Bank on new foundations, will achieve a number of basic benefits, the most important of which one can summarize as follows:

- 1. Liberating public activity sector companies from existing governmental red tape, administrative complications and problems of which entities they should be subordinate to that have resulted in restrictions on the sector's movement, deficits in its liquidity, and a deficiency in its productive capability.
- 2. Advancing the economic development process in the commodity sectors, specifically the industrial and agricultural sectors, in order to realize productive liberalization through increased operating capability in existing units and establishing more of them to increase the supply of domestic production.
- 3. Amassing private savings and encouraging their investment in productive and service projects inside Egypt.
- 4. Overcoming the problem of a shortage in financial allocations devoted to renovation and replacement activities in existing companies and the consequent shortage of productive capability and constant dependence on imports from abroad.
- 5. Encouraging domestic and mixed banks to invest their money in productive and service projects in Egypt rather than depositing a portion of their money in foreign currency abroad.
- 6. Creating harmony between the mobilization of available domestic savings and targeted domestic investments.
- 7. Getting domestic and joint banks to perform the task of setting up new projects, abandon part of these projects through sales in the securities market to encourage the entry of new private investments into these projects, and use the revenues to establish new projects.
- 8. Procuring the loans necessary for new projects directly through banks, on grounds that capital contributors are best able to grasp the project, become familiar with its financial requirements and consequently procure the financing necessary for it.
- 9. Shifting the burden of procuring the loans needed for existing or new projects from the government and the general budget to the projects making the loans.
- 10. Benefiting from the joint banks operating in Egypt in looking for foreign participants in capital in new projects.
- 11. Rapidly disbursing the development financing available to Egypt from international and regional institutions and economic aid programs. The World Bank is

now emphasizing the role of banks in contributing to investment project financing, and in addition there is a trend in some governments to channel some of their economic aid spending through the private and mixed sectors rather than the government sector alone.

- 12. Creating appropriate means for establishing a financial market in Egypt by directing individual savings into investment areas through subscription to the capital of companies in which these banks participate, or repurchase of a portion of the shares that the banks are selling, as well as creating a secondary market for stocks and bonds and rounding out the basic financial activity structures.
- 13. Making it possible to distinguish between commercial and investment activity in banking activity and permitting the Central Bank to give preferential treatment to investment loans.
- 14. Making it possible for foreign investors, be they banks, companies or individuals, to be in direct touch with financial institutions in Egypt in order to learn about existing and new projects. Thus it will be possible to open up new fields of investment, attain the necessary competence in this area and prevent many deviant practices.
- 15. Having effective oversight over public activity sector unit operations through financial institutions that are specialized in economic activity and compete in the attainment of national goals, without ignoring the element of profitability.
- 16. Expanding the base of oversight in general assemblies of public activity sector companies through the presence of public capital representatives possessing a high level of expertise and competence from domestic banks or experts from abroad, as well as oversight by individual shareholders over this company's activity.

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FOREIGN MINISTER INTERVIEWED ON VISITS TO NEIGHBORING STATES

Tehran JOMHURI-YE ELSAMI in Persian 12 Apr 82 p 12

[Text] Questions Raised in the Exclusive Interview with the Minister of Foreign Affairs

- 1. What was the aim of the trip to Pakistan; what negotiations did you hold there; and what were the results?
- 2. In your opinion, how successful was the special session of the meeting of the non-aligned countries in Kuwait? What was Iran's position in that conference and what results were obtained from this trip, on the whole, as well as the trip to the United Arab Emirates?
- 3. What role have the recent victories of the Islamic combatants played in political relations in the region and the strengthening of the foreign policy of Iran?
- 4. What is your assessment of the statements of the U.S. government that the imposed war of Iraq against Iran is not in the interests of the United States and the fact that it has asked the countries to stop the war?
- 5. What was the aim of the trip of the foreign minister of South Yemen to Iran and what did you discuss with him in your talks?
- 6. Recently, a peace delegation from the International Islamic World Conference came to Iran. Did this delegation accept the Iranian conditions or did they offer new proposals?

The political service of JOMHURI-YE ESLAMI--Brother Dr 'Ali Akbar Velayati, the minister of foreign affairs of the Islamic Republic of Iran, took part in an exclusive interview with our correspondent, answering questions on the aims and results of the trip to Pakistan, Kuwait, and the United Arab Emirates; the effect of the recent victories

of the Islamic combatants on the strengthening of the nation's foreign policy; the purpose of the trip of the foreign minister of South Yemen to Iran; the trips of the peace commissions; etc. The complete text of the interview of our correspondent with the minister of foreign affairs follows for our dear readers.

The Purpose of the Trip to Pakistan

In the name of God, the compassionate and the merciful.

Answer 1. Our purpose on this trip was to expand relations between Iran and Pakistan. Considering that the two countries are neighbors and have many common interests bringing them close to one another, considering that these two nations are Muslim and that the Persian and Urdu languages have common roots and many similarities, and also that the customs and habits of the people of Iran and Pakistan are very close; considering that the Iranian nation has consistently followed the formation of Pakistan from its beginning with special interest, and considering that this is one country in the world and in history which was created and formed on the basis of the Islamic religion, regardless of the kinds of governments which existed in both countries, our nation has continually looked toward the nation of Pakistan and has followed its destiny with special fondness. In turn, the Muslim nation of Pakistan has always looked toward us with special interest and, as some have expressed and still do, the Pakistani people consider their Islam as coming from Iranians, because it was brought to them from here--this has been precisely recorded in their culture and literature. Under such circumstances, in my opinion, it is natural that these two countries should have correct and friendly relations and strong ties. This trip was nothing more than a response to the needs of the two nations and the two countries to establish more relations. In Pakistan, a note of agreement was signed between us. This note anticipates cooperation in the areas of politics, culture, and petroleum and commercial exchange. In the area of the expansion of economic relations and commercial exchange, delegations must be exchanged between the two countries. Mr Ghulam Ishaq Khan, who is head of three ministries in Pakistan, will soon visit Iran. This note of agreement serves as a preliminary for the signing of the agreements and needed protocols.

Results of the Trip to Kuwait and the United Arab Emirates

Answer 2. The special session of the meeting of the non-aligned countries in Kuwait was, in fact, called to study the issue of Palestine and how to fight the occupying regime of Jerusalem. Members of the non-aligned movement from 84 countries participated. We participated in this meeting with a delegation from Iran. Our participation in this meeting was natural, because Palestine was at issue and we are a member of the non-aligned countries. That is, we had two motives which made it imperative for us to participate in this meeting. We expressed our views on Palestine and announced that political struggle is necessary but insufficient and that the basic action in regards to Palestine must be through the violent confrontation by the Islamic nations, which must unite, and it must be achieved with the unity of the Islamic

countries. We believe that political struggle alone will not solve the Israeli problem. In order to enlighten public opinion, holding and participating in such assemblies is vital. However, the most important job will be done on the battlefield against Israel, because Israel was founded by force and does not understand anything but force, and must be spoken to in a language it understands. On the whole, this meeting was fruitful and naturally, any action which is positive, supports the Palestinians, and is directed towards fighting the aggression of the occupying regime of Jerusalem receives our full approval and support. Also, our trip to the United Arab Emirates was in line with the general basic policy of the Ministry of Foreign Affairs based on the expansion of relations between the Islamic Republic and Islamic countries, particularly the countries in the region. Considering that the United Arab Emirates has held relatively positive positions, it was necessary for us to visit this country and have a positive, constructive visit with Sheykh Zayid, the president of the United Arab Emirates.

The Role of the Recent Victories in Strengthening National Foreign Policy

Answer 3. What is certain is that these victories have had a positive and essential role in strengthening our position among the various countries of the world, including those in the region.

These victories demonstrate that our people are determined to defend their Islamic, revolutionary identity, territorial integrity, independence, and characteristics. They do not hesitate to give their lives and property to stand against their enemies. Noting the record of our people since the revolution, it has gradually become clear to the people of the world that the Muslim nation of Iran, relying on Almighty God and the forces of millions of Muslims, is a great power which will not be defeated as a result of the U.S. conspiracy and its functionaries.

The Purpose in the United States Asking the Countries to End the Imposed War

Answer 4. The war of Iraq against Iran was imposed on us by Saddam at the instigation and order of the United States. The United States thought that given some of the problems of our country after the revolution, should Saddam attack Iran with his apparently large forces and perfect equipment, in defeating our forces on the front, he would cause the downfall of the Islamic Republic. But the passage of time has proven otherwise. Therefore, we have heard two contradictory statements from U.S. leaders at the beginning of the war and recently. At the outset of the war, Mr Carter said that he hoped this war would bring Iran to its senses. Hence, it is clear who was holding the strings of this war which was imposed on us by Iraq. Recently, when they saw that Iraq was being defeated, was retreating, and was about to fall apart, Mr Reagan said that this war was no longer in the interests of the United States. It was in the interests of the United States as long as they supposed that Iraq would win over us. But now that they see that our combative forces have been able to strike deadly blows against Saddam, the United States realizes that it is witnessing the downfall of Saddam, who is one of its functionaries in the region, and that this will cost the United States dearly, it says that the war is not in their interests.

The Purpose of the Trip of the Delegation from South Yemen to Iran

Answer 5. Relations between Iran and South Yemen after the revolution have been relatively good have been expanding day by day. Considering that South Yemen is a member of the countries resisting Israel and that we support this position of the countries that are members of the resistance front, we have expanded relations with South Yemen. The trip of the foreign minister of that country to Iran was, in fact, a response to our invitation to him and towards the expansion and strengthening of relations between the two countries. Thusfar, we have had one meeting with had one meeting with him and we have also had talks with each other in the Ministry of Foreign Affairs. In these talks, various political, economic, and commercial issues were discussed and it was determined that these discussions should continue in order to expand the relations between the two countries, God willing.

Purpose of the Trip of the Peace Delegations

Answer 6. The peace delegation of the Islamic world conference had come to Iran to study the causes, factors, and state of the imposed war of Iraq on Iran. The conference headquarters are in Karachi and it meets annually. It is made up of Islamic countries, with 44 members, including Iran. This year's meeting was held in Sri Lanka, in which a delegation from Iran also participated. Dr Velayati added: In this conference, our charge d'affaires asked to question the Ministry of Foreign Affairs as to whether we wanted to have this delegation take steps to establish peace between Iran and Iraq. We announced to our charge d'affaires in Sri Lanka that he should tell them that the general policy of the Islamic Republic of Iran is that it always prefers peace to war and welcomes the steps taken by any individual or group with good intentions. They themselves announced from the outset that they had no new proposals and had only come to listen to both sides, hoping to find a solution and a formula to end the hostilities. Mr Khamene'i emphasized that Iran wants peace, that Iran has not committed aggression and that it is only defending its territory and legitimate rights and integrity. If you have come from the Islamic conference and believe in the promulgation of Islamic beliefs, you must realize that defense is an Islamic principle which is mandatory and you should give us this right. As always, he stated Iran's readiness to establish peace, provided that the three stipulations that we have continually made are in the minds of this or any other delegation which comes to Iran to mediate. They have only heard our views and Tehran was the first place they visited. They later went to Baghdad. Therefore, they did not express any particular opinion.

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CSO: 4640/247

SIGNIFICANT WAR ISSUES DISCUSSED BY MINISTER OF DEFENSE

Tehran ETTELA'AT in Persian 11 Apr 82 pp 10, 11

[Text] The negotiations between Iran and 12 American companies with complaints against Iran ended successfully and these companies have announced their readiness to deliver the items purchased by Iran before the final decision of the "Hague" arbitration court. A large number of American companies have rescinded their claims against Iran, reducing the claims to one twentieth. But, the U.S. government is by no means prepared to deliver the items purchased and already paid for by Iran. The above is a summary of statements by Col Mohammad Salimi, the minister of defense of the Islamic Republic of Iran, made in an exclusive interview with our correspondent. Colonel Salimi also said in this interview: In the future, we will provide our soldiers with arms for which the primary material is produced, as far as possible, domestically. Our defense system will destroy forever in one decisive stroke the desire for aggression, domination, and autocracy in Saddam and his followers. Below is the complete text of the interview:

In the beginning of this interview, concerning the changes and the progress that have been made in the military industries of the Islamic Republic of Iran since the victory of the revolution in particular since the imposed war, Colonel Salimi said:

This organization is an expansive and astonishing one, which, through the creative force of tens of thousands of noble and committed Muslims, is engaged in producing and providing a large portion of the arms needs of the armed forces of the Islamic Republic of Iran. This is the same organization that was called the organization of military industries during the past regime and in every corner of which foreigners were put in charge of responsibilities. Management systems, plans, projects, and the signing of contracts were at their disposal. There were more than 2,660 foreigners in this organization, the majority of whom were American. They were, in fact, spies disguised as "experts." This demonstrates the level of our dependence on the United States. But, with the blessing of the Islamic revolution, this dependence was eliminated. Today, in the organization of military industries, we have no American or Israeli advisors and all the management and decisionmaking authorities are committed Muslim brothers. You asked what effects the imposed war of Iran had on our military industries. I must say that one of the blessings of the war has been that from the time that the war became the

main issue of the Iranian nation, in accordance with the order of the commander-in-chief of the armed forces, support for and providing the needs of our combatants became the main issues for the employees of the defense organizations. In short, from the time that our people cried, "War, war until victory," the noble Muslim employees of the Ministry of Defense cried: Work, work until victory!

Expansion of Innovations and Inventions

In continuing this interview, concerning the efforts made in industries affiliated with the Ministry of Defense in the areas of self-sufficiency, the expansion of innovations, inventions, and the achievement of self-sufficiency, the minister of defense said:

In the defense industries, we have established a new section called the "section for industrial research." Any type of invention, innovation, or new idea in this area, whether offered by the compatriots or by the employees of the industries organization, is researched and sent to other sections for completion.

But through new actions and innovations, we have been able to make a series of changes in the production lines in order for us to respond to the needs of the fronts. With the installation of a series of weapons on certain equipment, we have been able to increase the firing power of this equipment, and, on the whole, to neutralize the effects of the economic embargo and the restrictions created for us by the East and the West, thanks to the determination of the thinkers and the zeal of the dear Muslim employees.

Creation of Defense and Arms Industries

Our correspondent asked: Could you please explain what steps have been taken since the imposed war started to create basic defense and arms industries?

Col Mohammad Salimi, the minister of defense of the Islamic Republic of Iran, responded: This war has made us, more than ever before, aware of the value and the proud worth of this revolution. It was actually felt by everyone that the tree of the revolution was threatened by the riffraff and thugs of the region and that this tree was a fruitful tree at which stones were being hurled. After all, no one would bother a fruitless tree. Consequently, with decisive will, it was determined that this tree must be protected and preserved. To attain this goal, we thought that regardless of the restrictions imposed on us, we should try to stand on our own feet. Hence, the decision was made in the Ministry of Defense and the industries organization that primarily to preserve the equipment, machinery, and astonishingly complicated systems, the utmost care must be taken.

Secondly, in regards to the raw materials which we have at our disposal, we should take serious conservation measures. And then, we think that in the future, we should provide our soldiers with arms for which, as far as possible, the raw materials are available domestically. We should use the thinking and expertise of our country and our plans should be appropriate to

the financial ability and economic policies of our country. Most importantly, we should use these arms to honorably defend the borders of our country and the probable domestic counterrevolution.

Colonel Salimi added: To attain this hope, our first step was to present a bill to the Majlis. With the ratification of this bill, the disparity and confusion in the use of the systems and the waste of forces was eliminated. As a result, organizations and companies were combined, with regard to their duties and responsibilities. The group of mechanical, electronic, research, arms, and aeronautical industries were placed under one management. We witness the positive effect of this action in the daily increase in our production.

Founding Aeronautical Industries

ETTELA'AT correspondent: Considering the experiences that we have gained following the economic embargo and the imposed war in building spare parts for our helicopters and our fighters and making basic repairs on the engines of these fliers, please tell us, do you have a plan for founding aeronautical industries and can we, basically, hope that in the future, we will begin to build the fighters we need?

Responding to the above question, the minister of defense said: Certainly, we are not and will not be without hope. But, you must know that aeronautical industries require a developed technology and in order to attain it, we must have certain resources available to us. Given that we were strongly dependent on imports three years ago, and given the economic embargo, the imposed war, the stoppage of imports of spare parts, the disparity in industrial management, and other problems which were created for us after the victory of the revolution, all these were factors which would somewhat postpone the attainment of the stage which you mentioned in your question, in any case. Of course, these factors and insufficiencies will have no effect on the general outcome of our work and we will get there. But the truth of the matter is that it postpones our work somewhat and we need time to achieve it. But these technical innovations, these significant efforts, and this blossoming of talents prove to us that in revolutionary Islamic Iran, everything is possible.

The industrial and technical innovations that you mentioned all show our calculated efforts to construct the future, because we are all working for the future. On the whole, the issue of aeronautical industries is not separate from this subject and we have complete hope and faith that, in the future, God willing, we will achieve it.

The National Military Doctrine

In the continuation of this interview, concerning the national strategic plan which was rejected in the Majlis and the basis for devising the military doctrine of the country, Colonel Salimi said:

The national strategic plan was ratified in the committee on defense affairs of the Majlis, but was rejected in the general session of the Majlis. He added: In an Islamic country, in a people's regime, that strategy is acceptible whose political, cultural, social, economic, and military policies are all aimed towards Islamic goals, Koranic ideas, and religious and ideological beliefs. Such a strategy is acceptable in an Islamic country and a people's regime and is undoubtedly a military doctrine determined by and stemming from a national strategy. In this way, the military doctrines of the Islamic Republic as defined in the above terms are inspired by the Koran, "Nahjolbalagheh," the guidelines of the Constitution, and by the clear, guiding line of theocratic rule and the instructions of the commander-in-chief of the armed forces, Imam Khomeyni. We have mentioned the cases in which our military doctrine gets inspiration and on what basis it is devised.

Examining the Contracts

ETTELA'AT correspondent: Some time ago, it was announce that some committees had been given the responsibility of studying former military contracts and that certain trips have also been made for this purpose. Can you please tell us to what extent these studies have gone and what results have been obtained?

In response, Colonel Salimi said: The past hated regime had signed many contracts with different countries, including the United States, European countries, Egypt, and Israel, mostly with the United States. Because of these contracts, we suffered great blows. One of these blows was the signing of a series of large, imposed, and wasteful contracts and then the unilateral cancellation of these contracts before the Islamic revolution of Iran had reached fruition. It imposed large amounts in damages and debts on our government and we are now involved in these issues. However, with the implementation of the first stage of the Algerian communique, we were able to enter negotiations with the American companies to resolve our differences. On this basis, the Ministry of Defense collected the papers and documents relating to these contracts and wired announcements to those companies that we were ready to negotiate concerning these issues. With the supervision of the committee for investigating international financial and legal claims and the office of coordination for the implementation of the Algerian communique, the negotiating sessions were held in "Vienna" in the embassy of the Islamic Republic of Iran late last September. A delegation was sent to "Vienna" from Iran which negotiated for a month and I think some 48 American companies participated.

The contracts were discussed and we reached agreement on about 12 of them. It was settled that when the arbitration court for the claims of Iran and the United States begins its work, we will send these agreements there for the final decision.

But as to the question that you asked concerning what results we have obtained, the result was that we learned about the positions, documents, and reasonings of these companies and consequently, we will be able to use these documents against those companies which do not agree to participate in negotiations.

Furthermore, a number of these companies which held claims against us for damages and losses because of delays changed their minds and took back their claims after extended talks. These claims have been reduced to one-twentieth.

Thirdly, the American companies which entered negotiations with us unanimously felt that they did not want to wait for the decision of the court. They wanted to get the money owed to them as soon as possible and deliver the purchased items. But it is the American government which is in no way prepared to give us the military items for which we have already paid.

Responding to the question of whether with the final decision of the "Hague" arbitration court concerning the delivery of the military items which we have in the ("Behring") warehouse in the United States and for which we have already paid would be effective or not, the minister of defense said:

We will follow up our claims against the United States and, for our own reasons, we will accept any decision that the court issues, because we have accepted in principle the decision of the court. Of course, in regards to getting back that group of military items that we have in the ("Behring") company, we have taken steps, some of which are presently being followed up, and, God willing, when we obtain results, we will announce them.

Face to Face Confrontation with Zionism

ETTILA'AT correspondent: We have frequently said that after the overthrow of Saddam's regime, it will be our turn to confront Zionism. Please tell us, as the minister of defense of the Islamic Republic of Iran, what is your opinion concerning this confrontation and its dimensions?

Colonel Salimi: The victory of our brave combatants in the imposed war will be two-fold with the fall of Saddam or something similar.

The fall of Saddam will also result in the fall of the reactionary regimes of the region, since they neither have the former capabilities of Saddam nor his ambition and autocracy. Therefore, the fall of Saddam will equal the fall of all these reactionary regimes and the field will be opened for progressive Muslim governments to respond to the wishes of the Muslim people. In this way, with our victory in the imposed war and with the fall of Saddam, the progressive governments will be freed and the arena for innovative action in combating Zionism will be in their hands. The liberated Iraqi forces, as well, can stand at the side of the progressive counties and our combative forces will also begin a general, overall mobilization against Zionism in the region.

The minister of defense, responding to the question of whether in the event that Iraq fails to pay for war damages, our forces will follow the Ba'thist aggressors into Iraqi territory, said:

The movement and innovativeness of our combative forces, as the imam has said, is aimed at securing our borders. We have not had and do not have the

intention of taking over other countries. Defense is a divine issue and a religious obligation which must be carried out by every individual and group to the best of their ability. And we will do so to defend our borders. Our defense system will be such that in one decisive blow, it will destroy forever the desire for aggression, domination, and autocracy in Saddam and those who wish to follow him.

The Imam's Recent Order

In the conclusion of this interview, Colonel Salimi, the minister of defense of the Islamic Republic of Iran, said about the recent order of the imam concerning the membership of military personnel in political parties and groups:

I must say that we have a religious and ideological understanding of the imam's order. In other words, first of all, before being a military man and before being responsible for this duty, I am a Muslim and an emulator of the imam and I consider carrying out his order a religious duty and deviating from it, God forbid, as sacrilege. Secondly, we are soldiers and we carry out the orders of the commander-in-chief of the armed forces. From the moment that this order was issued, we announced to all the units and organizations affiliated with the Ministry of Defense that they do not by any means have the right to participate in parties or groups. We will supervise and follow up the execution of the imam's order through various channels.

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GOVERNOR-GENERAL OF KERMAN DISCUSSES DEVELOPMENTAL PROJECTS

Tehran JOMHURI-YE ESLAMI in Persian 12 Apr 82 p 4

[Text] /Kerman--Brother Mirzadeh, the governor-general of Kerman, responded to questions in an interview with the correspondent of the CENTRAL NEWS UNIT in Kerman. The governor-general of Kerman spoke about the gains of the Islamic revolution of Iran at the start of this interview and said that all of our gains in political, military, economic, and social areas are due to the fact that the imam of the people, the people, and our government have centered their actions around pleasing God. I, too, who, as the representative of the government of the Islamic Republic in this province, must be the representative of the political positions of this government, will continue the same path/ [in boldface]. Referring to the conspiracies of the superpowers, especially U.S. imperialism, to strike out against the Islamic revolution of Iran, he said: Our government will not compromise and will by no means be a slave to global political blackmail or to domestic conspiracies and disruptions and we will insist on this issue.

Concerning the clergy and the organizations rising from the revolution, the governor-general of Kerman said: The institutions are good [illegible] and are one of the blessings of this revolution which can serve as good models for the executive organizations. The combative clergy has also suffered greatly on this path. We consider the clergy our leadres and I suggest to all the representatives of the government of the Islamic Republic of Iran throughout the province and all the executive organizations that they have councils in order to ensure coordination with the clergy. If they do not want this revolution to be misguided from its original course and to be unable to meet the destiny of other revolutions in the world, they should not do anything without consulting the clergy. The best way is for them to make the path of the clergy and Islam their model.

In this interview, brother Mirzadeh, the governor-general of Kerman, concerning the budget of the Province of Kerman for the period March 21, 1982-March 20, 1983, and the priorities in the budget of this Province, told the correspondent of the CENTRAL NEWS UNIT in Kerman: In the Province of Kerman, there are plentiful opportunities for work in mines and agriculture and most of the programs will be devised in these two areas. If we are able to equip the mines of the Province by creating financial and technical resources and to begin operations, we will carry much of the burden of the current budget

of the Islamic Republic. In regards to agriculture, (Kohnuj) and Jiroft can become the grain warehouse of Iran and Jaz-e Murian can provide one-quarter of the fodder of Iran; but, because we lack the means, this great God-given wealth remains untapped.

In another part of this interview, referring to the trip of the ministers to the Province of Kerman, he said: Planning is underway for an economic revolution and our duty is to support the government economically.

The government has allocated a budget of about 6 billion rials for this region for development and economic planning. In addition, a special budget for trips, amounting to 600 million rials, has been projected in addition to plans in the Cabinet for (Kohnuj) Region, which will be announced after approval.

Concerning the issue of fuel and the existing problems in this area, the governor-general of Kerman said: The gasoline allotment for the Province of Kerman is about 17 million liters per month, which must be carried in tankers, because the existing pipeline is being used for diesel fuel, which is only used in agriculture. Also, considering the issue of the war, if we are able to correct the technical problems which exist in the fuel pipeline, the fuel problem in this Province will be resolved.

Concerning the reconstruction of departments and the shortcomings in some of the government offices, he said: After the revolution, the offices showed their support and love for the revolution. Most of the directors are committed and responsible and the Islamic societies are active in the offices. during the past few days, a commission has been formed and local investigations of the offices has begun, with the participation of the representative of the Friday imam, the Revolution Court, and the Governor-General's Office, to correct the shortcomings of the offices. The reconstruction committees which are also being formed are only a framework for the stability of the job and the committed employees of the administrative offices must not be concerned or fearful about this.

Concerning the budget for the tribes of the Province and also the welfare and development projects for the tribes, brother Mirzadeh, the governor-general of Kerman, said to the correspondent of the CENTRAL NEWS UNIT of Kerman: Of the population of this Province, 10 percent consists of tribes. They must understand that the tribal chiefs and bandits no longer dominate them. The revolution courts and the Guards Corps are their strong supporters. To solve their welfare and developmental problems, 12 projects have been proposed and the government has allocated 6 billion rials for the Iranian tribes, of which 600-900 million rials is allotted to the tribes of the Province of Kerman. Among the 12 projects, 1 is the restoration and cleaning up of the underground irregation systems [qanat], for which a budget of 300 million rials has been allocated.

The implementation of this project will effectively help the production of fodder needed for tribal livestock. In order to offer veterenarian services and prevent the loss of livestock, 23.8 million rials has been allocated.

The establishment of veterenary clinics for the tribes and the development of fodder are other tribal projects which, God willing, will be carried out.

In this interview, the governor-general of Kerman also announced that about 80 million rials has been allocated to give outright aid to the cooperative companies of the tribes; 244.5 million rials for building bridges over rivers which are problematic during tribal migration; and 56.8 million rials to create three complexes to produce fodder in Bam, Hajiabad, and Jiroft.

He also pointed out that a budget of about 93 million rials for the education of tribes, 50 million rials to level tribal roads, 20 million rials to provide veterenary medicine, 20 million rials for equipping wells and air and gasoline pumps, and 250 million rials for the total development of the tribal regions have been allocated. These are the projects which will be carried out during the period March 21, 1982-March 20, 1983, to eliminate the tribal problems of the Province.

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CSO: 4640/249

BIOGRAPHIC SKETCH OF PRESIDENT DRAWN BY EMIGRE PAPER

London E'DAM in Persian No 99, 5 Mar 82 p 1

[Text] The Khamene'i sayyids are among the immigrant tribal sayyids which were divided into 2 groups about 200 years ago. Some, who held the title Sadr, went to "Jabal 'Amel" in Lebanon and to Najaf and another group, with the title Qomi, went to Mashhad and Qom. The remainder, who had the title Khamene'i, went to Mashhad and became guardians of the shrine of the eighth imam.

The father of Khamene'i, Seyyed Mohammad Hasan, the head of the Khamene'i family, had a house on "Tabarsi" Street. Most theological students in Mashhad frequented his house because of his eloquence in teaching logic. Seyyed 'Ali was his second son, born during the year March 21, 1939-March 20, 1940. In contrast to his brothers Reza and Hoseyn (representative from Mashhad in the Majlis), who wore the garb of their father from childhood, he did not wear the garb of a theological student and attended Ferdowsi School in Mashhad. After receiving his elementary school certificate, he went to high school and studied through the ninth grade. In summer of 1956, he accompanied his father to Tehran to visit Ayatollah Kashani.

It was in Tehran that he became acquainted with Haj Aqa Ruhollah [Khomeyni], a teacher at the theological center and a follower of Kashani. This acquaintance instigated his going to Qom and putting on the garb of the theological student. From then on, this sayyid's life was changed. He was one of the most intelligent students of the center and within one year, in addition to finishing the primary levels, he had studied "Sharh al-Lom'eh," "Osul-e Kafi," introductions to Aristotalian logic, the "Shafa" of Avicenna, the 12 volumes of the "Bahar al-Anvar," and the "Man La Yahoz al-Faqih" of Ebn-e Babuyeh.

Khomeyni called him the "tall, intelligent one." His fellow students, such as Beheshti, Rafsanjani, Sheykh Morvarid, and Rabbani-Amlashi, were extremely jealous of him.

Sometime during the period March 21, 1961-March 20, 1962, he was chosen to be the youngest teacher of the theological center. Since Mr Shari'atmadari, who was the eldest in the center, after the late Borujerdi, was very fond of him, he was given a monthly allowance of 4,000 rials.

During the course of the events of June 25, he was arrested after the speeches he made in Qom and Mashhad, but was freed through the mediation of Haj Ahmad Khonsari. During Mr Shari'atmadari's stay at the shrine of 'Abdol'azim in order to prepare the documentation to claim Khomeyni a source of emulation and thereby prevent his execution by the shah, Khamene'i lodged at his house and frequently travelled between Tehran and Shahr-e Rey. Finally, the documentation was drawn up and signed by Messers Shari'atmadari, Hakim, and Milani. It was taken by Pakravan to the shah and the execution order for Khomeyni was changed to one of exile.

Some time later, when Khamehe'i had returned to Mashhad, he married the sister of Sheykh 'Ali Tehrani (who is presently under house arrest), a teacher in the Mashhad theological center. In addition to teaching in the theological center of Mashhad, he began preaching and his sessions thrived.

During the period March 21, 1967-March 20, 1968, when the Mojahedin-e Khalq movement was being established, Khamene'i, like many other clergymen, such as Rafsanjani, joined the Mojahedin and became a direct link between them and the clergy, especially Khomeyni. He travelled secretly to Iraq twice. The third time, he was arrested at the border and jailed. In prison, which lasted one year and two months, he became acquainted with Ayatollahs Sa'idi and Ghaffari (the father of Hadi Ghaffari). Some of the well-known members of the Mojahedin also sent messages through him to the outside.

Outside prison, Seyyed 'Ali attracted much attention with his pleasant voice, vast knowledge, and the amount of verse that he had memorized. He found his way into the assemblies of prominent persons. One of the people who was very kind to him and who supported him was Dr Eqbal, who sent a significant sum every month to the grand sayyid, Khamene'i, through his office chief. In 1973, Khamene'i went to Mecca with the "Amin" hajj pilgrimage caravan. Khomeyni's son, Seyyed Mostafa, also came on this trip to Mecca. In their meeting, Khamene'i announced the unity between the clergy and the Mojahedin to Seyyed Mostafa. At the end of the hajj ceremonies, two of the Mojahedin leaders accompanied Mostafa to Najaf and Seyyed 'Ali left for Syria and Lebanon. In Beirut, aided by the representatives of the Mojahedin in Lebanon, Khamene'i, Ruhani, Hadi, and several others went to "Sabra" camp to learn battle techniques from the Palestinians. In this area as well, Khamene'i won over the competition and within four months, he went to Egypt to learn to use heavy artillery. He learned to drive and fire tanks from the Palestinian "'Ein al-Jalut." He then went to Germany, to his friend Beheshti, who was the shah's religious representative in Hamburg, and stayed with him for six months, where he picked up English and German. Since he also knew Arabic, upon his return, he began as a trilingual teacher to teach foreign languages at the theological center to those clerics who were interested to learn modern sciences along with the ancient ones--after all, these were the times of the six-million-dollar-man and one could no longer deceive the public with stories of Ja'far-e Tayyar.

Sometime during the period March 21, 1976-March 20, 1977, Khamene'i was once again arrested and jailed for four months. This time, he was charged with attacking Hozhabr Yazdani during the memorial services for 'Abdolrahim Samadi,

the well-known bazaar merchant. In the course of the interrogation, Khamene'i, who was afraid that SAVAK might find out about his activities and cooperation with the Mojahedin and the Palestinians, promised to work with SAVAK. He was freed after signing a pledge in the presence of Naseri, known as 'Azadi, the executioner of the committee.

A year later, he once again set out for Syria and Lebanan and then went to Najaf to Khomeyni. On this trip, he told Khomeyni that the grounds had been prepared to call the people to rebellion. On Khomeyni's instructions, he then went to Libya and held important talks with Qadhdhafi. Apparently, on this trip, Khamene'i alerted Qadhdhafi of the danger of Imam Musa Sadr, who had been hand-picked by Brzezinski to succeed the shah. Sending an invitation to Musa Sadr, Qadhdhafi paved the way to silencing him. Khamene'i returned to Iran and with Beheshti, Anvari, Mowla'i, and Rafsanjani, he established the combative clergy. When Khomeyni went to Paris, his was the first name stamped on Khomeyni's heart, after Beheshti, to be a member of the Revolution Council and then placed in his private notebook.

This sweet-talking, good-looking sayyid--who used to wear English worsted, wore a tie under his gown in Lebanon like the Sunni clerics, put a pipe in his mouth, and smoked imperialist "Amphora" tobacco--was in charge of expansion activities during the last months of the previous regime. In the morning, he was with "Sullivan" and "Huyser" and in the evening, with ("Vinograf") and the British ambassador.

After February 11, at the side of Beheshti, he was put in charge of everything in the Revolution Council. When the Americans sided with those who wore suits, headed by Bazargan, he lost his heart to the Russians and occupied the Yankee embassy, along with Kho'ini and Peyman.

Interestingly, most of the documents obtained in the embassy concerned his meetings with U.S. agents and had been left in the snake charmer's bag along with those documents relating to his friend Beheshti.

He tried for a while to get the Mojahedin to serve him. Since he was unsuccessful, he brought the Feda'ian around to the belief that he was a lover and nurturer of the guerrillas.

One day during his office as deputy of the Ministry of Defense, he jumped into a tank before the stunned eyes of the officers of Luizan barracks and began aiming at an imaginary enemy. And for this reason, he became the first member of the Supreme Council for Defense at the start of the Iran-Iraq war and became the representative of the imam with full authority.

He was doing all this plus serving as the Friday imam of Tehran when the Bani-Sadr issue arose. He was eloquent, a man of speeches, and the words in his speeches could easily crush and discredit Seyyed Abolhasan from Haman. He called him the "insignificant mouse" and chased him into hiding.

Everything was as he wished when suddenly, a tape recorder . . . Yes, and here a new story unfolded. Seyyed 'Ali was defeated and ruined. With each

day, he lost a friend or a dear one. No one could imagine that his name would ever be heard again or a word read by him--a speechless parrot is not worth a penny and a peacock who has lost its feathers has no value.

But, on the order of the great leader of the revolution, Seyyed 'Ali surfaced once again only to become president, with the 16 million votes which were pulled out of the snake charmer's bag of the Hezbollah. And, as a living martyr, he became a puppet in the hands of the true operators, the likes of the blessed brother of the ideological "prime minister" and the Tudeh member, Hojjatoleslam Kho'ini! Seyyed 'Ali Khamene'i became the third and last Islamic president and with the overthrow of Khomeyni's republic, he will be honored with true martyrdom atop the electricity poles on Pahlavi Street, and it will not be the exalted leader alone who will enjoy this blessing.

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CSO: 4640/251

MOJAHEDIN LEADER GIVES VIEWS ON REVOLUTION, CURRENT REGIME

Tunis AL-RA'Y in Arabic 29 Jan 82 pp 8, 9

[Interview with Mas'ud Rajavi, Mojahedin-e Khalq Leader, by Salah-al-Din al Jawrashi: "Anti-Imperialism Is Not a Sign on Which We Can Hang Anything"; date and place not specified]

/Test/ Mas'ud Rajavi is a young man no more than 34 years old. Everyone around him is young and their relative ages range from 20 to 28. Therefore, as you talk with them, you feel that you are conversing with the future of Iran. He received me with the utmost cordiality and with a courtliness that was not artificial, quickly eliminating all the barriers that generally are present when one begins contact.

The Mojahedin-e Khalq Movement stirs up a great many questions, some ideological and some political. The Shah characterized it as an Islamic "marxist movement," and Khomeyni added the characteristic of hypocrisy, stating, of the Mojahedin, "They do not hold Islamic ideas or know anything about Islam or faith; the ideas they possess are purely materialistic ones." Of them, a member of the Tudeh Party stated, "They lack political maturity," and a member of the French Socialist Party said "Their activity is thorough, and if there is a change in Iran they will be the alternative." He spoke of organization men in the Middle East who attested that they had reconciled discipline with centralized democracy. The Soviets put them to sleep, they are inimical to imperialism, and the agencies of the Pasdaran (Khomeyni's revolutionary committees) are raging about them. Where should one start?

Readers will note, as was the case with Bani-Sadr, that there is an organic link between ideology and politics. The reaction to some answers might seem conspicuous. Perhaps that is attributable to the bloody nature of the relationship that has come to exist between them and the regime (most of the executions have focussed on their ranks). Rajavi's optimism about the imminent collapse of Khomeyni's regime may seem exaggerated. However, what interests us is the Mojahedin's vision of the nature of the relations and the nature of the issues. In any event, we do not imagine that a dialogue such as this will totally embrace their character from all angles; all we aspire to do is raise the subject and remove some of the taints from the media, in service of ideas and integrity in the media.

AL-RA'Y: In one of his lectures, Ali Shari'ati states "Not everyone who takes part in a revolution is of necessity a revolutionary." (1) Do you consider that this statement includes Khomeyni, who managed, in a specific historic stage, to rally the movement of the whole Iranian people around him?

Rajavi: Khomeyni stole the revolution. He never was a revolutionary. He was not even a reformer of any integrity. In 1963 he headed a people's insurrection which broke out in a disorganized manner. We supported him as long as it was a matter of struggling against the dictatorship of the Shah. However, at that period he was not expressing a true, genuine revolutionary Islam. He was offering the people a melange of feudalism and petty bourgeois beliefs in the name of Islam, For instance, he protested against the Shah at the time when the latter gave women the right to vote, and because he followed a policy of agrarian reform, whereas the position we took as revolutionaries was totally at variance with that. We said, "Yes to the reforms, but the Shah is being deceitful." In other words, we cast doubts on the substance of what the Shah presented and we considered that in the framework of a general policy which was just an affirmation of subordination and an emphasis on the dictatorial comprador bourgeoisie. That is in fact what happened after 1963, when the Shah's bourgeoisie became united and subordinate. From then on, the dictatorship set out to liquidate every manifestation of protest and all the traditional parties which were not prepared to struggle in this sort of atmosphere disappeared. Among these were the National Front and the Iranian Liberation Movement. What are known as the Communists, the Tudeh, considered the Shah's reforms progressive and anti-imperialist, just as they are standing behind Khomeyni's regime nowadays.

During this stage, the founders of the Mojahedin movement were ordinary members of the Iranian Liberation Movement under Bazargan's leadership. They represented the revolutionary wing inside the movement and this they confronted with an intensified selectivity; following the dictatorial practices of the Shah's regime, Bazargan's movement came to be based on an ideological level, and only revolutionary forces remained on the political stage -- first, the movement of the Mojahedin, which was established on the premises of Islamic revolutionary ideology supported by some ordinary classes of people, then the movement of the Fedayan-e Khalq, an organization that does not enjoy as much popular support as the Mojahedin do. The only way to resist the regime then was armed violence; that kept all parties from possessing the courage to establish any presence, with the exception of the Mojahedin /and / the Fedayan up to 1975-76. All the personalities that you see today were under the aegis of the Mojahedin, set out from their approach, and considered themselves partisans of the movement in the past. To this time, when they review the periods of their lives, they point out that they were in sympathy with the Mojahedin but assert that they are talking about the early Mojahedin, not "these hypocrites!" They say this because they have come to power. Among them were Rafsanjani, Raja'i, Khamene'i, Montazari, Beheshti and others.

In light of the Islamic view the Mojahedin possess regarding society and on behalf of society, their movement grew rapidly. However, in 1974 and 1975 some persons whom we call propagandists of the Communist left called for a coup within the movement, claiming that from then on Islam no longer had a part to play and that Marxism was the final goal. They continued in their activity under the title of the

Peykar organization after they became isolated. Such blows as that weakened us more than the blows we sustained from the Shah. Because of this, the traditional religious petty bourgeoisie like Rafsanjani managed to come out from our protection on the other hand, and began to assert that the movement had lost its credibility; having been a symbol of Islam it was now something different. Thus the expression "Islamic Marxists" rose to the surface. Had we not been dealt this blow, Khomeyni would not have been able to mobilize the revolution.

At that time, our forces were faced with annihilation at the hands of the agencies of the regime. Some people were executed, some people were imprisoned, and the rest did not have the resources to organize themselves as they should. For example, in 1971, of the 12 members of the central committee, I alone remained; the rest had been executed en masse. I was with some brethren in the last group that was freed from prison 10 days before Khomeyni's return. We were not known to the Iranian people as a whole because of the secret character that our activity had assumed. Therefore, as I told you, on the one hand all the traditional parties had vanished from the stage and the movement that led the armed struggle had been dealt these blows, while on the other all the objective conditions for revolution were ripening, creating a vacuum, that is, an intrinsic lack of personnel at the leadership level. In spite of that, the slogans the masses raised even after Black Friday (1979) were "The Mojahedin--Shari'ati--Khomeyni," not just Khomeyni. Perhaps you well remember in those circumstances Carter broke off his dialogue with the Shah's policy and put pressure on him to lighten the severity of his repression, as a form of appeasement. In the context of the absence of revolutionary leadership, an opportunity was granted for the emergence of reformists and liberals, as well as reactionaries, to fill the vacuum, especially in view of the existence of the religious establishment in a society with a religious composition and the appearance of disputes between religious leaders and the Shah, who had become concerned to remove them from the stage through repression. Thus Khomeyni became a symbol of the revolution, and for this reason I say that he has stolen the revolution.

We are not starting to raise these slogans now; our relationship with him goes back to 1975, and we had an idea about him since 1963. He previously took part in the coup that overthrew Mosaddeq. At that time he was a friend of the well known reactionary Ayatollah Kashani, who led the coup, and for that reason Khomeyni has changed all the textbooks that deal with that period in order to portray Kashani as a person who inspires respect. In 1975 for the first time we wrote an analysis of Khomeyni and his nature; that was in prison. Although the document was an internal one, concerned with organization, Rafsanjani managed to get hold of it and offer it to Khomeyni. From the first day he has been sending it to us to remind us of our position on him in recent years. When we describe him as a reactionary, we do not mean thereby to slander him; the first thing he did on his return from Tehran /sic/ was to repress the revolutionary forces and consider them reactionary forces!

The Iranian revolution was magnificent. It was a popular struggle, and the Mojahedin's duty at that time was to show up the thief and expose him. The phenomenon of people who speak in the name of the Koran to justify deviation is a phenomenon with which our history is familiar and it is not new; since 20 June the Mojahedin have offered thousands of martyrs and more than 25,000 prisoners who

have faced the vilest kinds of torture on grounds that they are hypocrites and apostates. We must tell the Islamic peoples and the Tunisian people that we are faced with Judas, not Christ. (2) God is angry with people who speak in his name in order to say what he does not wish: "God's hatred becomes great if they say what they do not do," "They distort words from their contexts." What is going on in Iran is nothing unusual, it is a result which is subject to laws that no one can change overnight. Some people err in imagining that Khomeyni was good then went astray. We, as revolutionaries, do not confine our cause to killing individuals. We realize the social class and ideological content and nature of the class in power. Proceeding from this, we determine our position most simply: the logical result of the Iranian revolution is the logical result of reaction. On that basis, many people who are not informed about true sciences and social laws and do not possess a genuine Islamic ideology present distorted, confused analyses; the Khomeyni experience does not just belong to the Iranians or the Mojahedin, but also belongs to the Egyptians, the Palestinians and others. From now on out, the Islamic peoples must beware and must not be deceived by reaction.

After this lengthy presentation of the history of the relationship between the organization and Khomeyni, we posed this question: Khomeyni's regime claims that it is anti-imperialist, and you claim that he is playing imperialism's card over the long run. This requires that the differences between this regime and the Shah's regime be spelled out.

Rajavi: He is more hypocritical in his policies.

In order to obtain this document, we paid in blood to obtain it from an office that is very close to Khomeyni. It was issued by the same man who shut down Jerusalem Day. It establishes the purchase of arms from Israeli bodies.

My brother, anti-imperialism is not a sign on which we can hang anything. How can a reactionary dictatorship that fails to resolve all social problems and is absolutely opposed to democracy be against imperialism?

I have a more obvious argument. Look at the victims of the Shah's repression. Did he kill people from the Tudeh, the Iranian Liberation Movement or the Mojahedin? Then look now and you will find that 90 percent of all the everyday foodstuffs are imported from abroad. Factories provide no more than 20 percent of the volumes of production that were obtained in the days of the Shah. One third of the spending is directed to war. Are we now, after this, more independent than before? Khomeyni is an anti-imperialist at the shouting level only. However, objectively, he offers it the best services. Isn't human capital the best reserve for the struggle against imperialism? What has he done with this reserve? He is applying to it the blessed Koranic verse: "There is the type of man whose speech about this world's life may dazzle thee, and he calls God to witness about what is in his heart; yet is he the most contentious of enemies. When he turns his back, his aim everywhere is to spread mischief through the earth and destroy crops and cattle. But God loveth not mischief." [Surah al-Baqarah, Verse 204, 205].

AL-RA'Y: The answer seemed unclear to me, and I posed the question to him directly: we would like to know whether you consider Khomeyni a puppet like the Shah.

Rajavi: If we go beyond Khomeyni's past, which raises many doubts, we consider that elements that do not have a direct organic relationship with imperialism can be more dangerous than those that have a direct one. What we must fully understand is that imperialism is not an idea suspended in the air. It consists specifically of social, economic and cultural relations. It is not important that we condemn the evil satan with our voices; what is important, rather, is that we come down from the sky to the earth to see who the satan is, what he is personified in and what his goals are. Perhaps you have been following the policy of the Tudeh. This party, rather than openly and clearly defending the rights of the Iranian people, has preferred to huddle behind the "false prophets" and what it calls "the enemies of imperialism," licking the dirty clothes of the regime for the sake of securing political presence without any unpleasantness. This conduct is alien to Islamic revolutionary culture.

AL-RA'Y: To push the conversation into a more comprehensive ideological direction, we posed this question: the point of concentration Khomeyni's regime emphasizes is the phrase "guardianship of the religious jurist." In your opinion, is this phrase basically embodied in Shiite Islamic theory?

Rajavi: I would like you first of all as Moslems not to talk to me about "guardianship of the religious jurist." One of Khomeyni's great crimes is his grave distortion of expressions and concepts, emptying them of all substance. This regime's focal point is reaction. To that end, we said no to the reactionary constitution (he meant the present Iranian constitution), and we also boycotted the elections. At that time we said that "guardianship of the religious jurist" was only a cover for "guardianship of reaction." Our understanding of Islamic and Koranic traditions causes us to believe that "guardianship of reaction" is antithetical to Islam. Orientation toward God and God's power must take place in a democratic manner at all stages. This notion has been distorted for centuries by oppressive regimes and reactionary classes: "There is no compulsion in religion: righteousness has been made distinct from temptation."

Here allow me to say a few words about the anthropological philosophy of the Koran. The most important element distinguishing this philosophy from other philosophical currents, including Marxism, is the great status it grants to freedom of choice and responsibility. Unification means in essence human responsibility in the light of which eternity is determined, even outside the material world. What does this mean? The significance of this in the social and political fields is the philosophical, social and political recognition of democratic rights. Yes, revolutionary democracy has always been linked to the essence of the Koran, and it arises from the freedom of choice that God has given man. This is one of the basic elements that distinguishes Islamic philosophy from other philosophies, including materialism, because we absolutely cannot link the democratic element to the human element in the context of materialism, on grounds that there is no source to turn to in this field.

AL-RA'Y: After recording this important point, which reveals a platform for dealing with the Shiite heritage in its most important political points of emphasis, as embodied in the phrase "Guardianship of the religious jurist," let us go back to the political realm to talk about forms of resistance, and ask whether in your

view the Iranian people have reached a point that will allow them to accept armed struggle against Knomeyni's regime. Do you believe that the fruits of that struggle will come soon?

Fajavi: Totally. The Iranian people, thanks to their reliance on their vanguard scions in the Mojahedin movement, are going through the most terrible moments of the history of their existence. By you have a single example to prove the existence of a resistance that could in spite of brutal repression endure more fiercely and with greater solidarity for 40 years in which no coup found shelter from all this arbitrary rule and these hangings, but in spite of which the resistance continued and the most prominent personalities of the regime were eliminated in their places of work? This struggle will continue until it eliminates this blemish that has been attached to Islam. At that point, all the Islamic peoples will move on to a new life.

AL-RA'Y: But don't you think that this intensified daily repression directed against your personnel will weaken the organization and lead your struggles to be co-opted by groups that you consider opportunistic?

Rajavi: This time I will insist on answering you with the Koran: "We will show the way to people who engage in holy war over us." "If there are 20 patient people among you, they will overcome 200." What is the Koran trying to say? It is trying to assert that if the cause is just, if the path is correct, if faith is present and if the masses have given their trust, other people will be born from the blood of martyrs: "God told them, 'die,' then brought them back to life." We see this promise being realized in this world of ours. If we move over to the political level we will observe that Khomeyni receives the greatest blows from us--"If an ulcer befalls you, an ulcer will befall the nation"--many times over, not the same number. Seventy percent of the political leaders around Khomeyni have departed this earth. (3) We also observe that the regime has become despised to a degree that exceeds the people's hatred of the Shah in his final days. To this end, in view of the isolation that he is living through, he has started killing on a daily basis, closing down the universities and conducting surveillance over schools and children.

A regime like that is doomed to collapse. Its collapse will assuredly come soon. In any event we have a date with Khomeyni that will not be delayed. Reaction has confirmed that the Mojahedin-e Khalq are not a small organization that has no weight but that it is the biggest organization that modern Iranian history has known in the organizational and popular sense. Is Khomeyni able to eliminate and extirpate a structure like this? No. "It is like a good tree whose roots are firm, whose branches are in the sky, and whose sustenance comes at all times, by God's permission."

AL-RA'Y: In view of the major status the religious system occupies in Iranian society, don't you consider that no change can take place without this social group?

Rajavi: Change is being generated against this group, by which of course I mean the reactionary wing of it. Perhaps you know that men like Father Taleqani (4),

may God have mercy on him, are persona non grata. Perhaps you also know that a number of scholars who belong to the religious system are members of the Mojahedin-e Khalq and that significant numbers of them have been executed. To me, the name Habibollah Ashuri is one that will never be erased from memory. The same is the case with Hojjatoleslam Ali (Katuni). The two sons of Ayatollah (Khuziqaturi) were executed, as was the case with the sons of Ayatollah Alemi, out of revenge for their father, who sympathized with our movement. (5) I would like to emphasize that the Mojahedin are not against the religious institution. They are against reaction. We do not deal with people and powers according to our whims but according to the ideological, social and political substance they possess. For that reason I am happy that the struggle of many people in the system has for 17 years been linked to the struggle of the Mojahedin.

AL-RA'Y: We are now approaching the end; let us ask you about your program, since you are the president of the temporary government in exile.

Rajavi: Our program, in the current stage, can be summarized in two words: freedom and independence. We believe that there is no dispute over the inevitable link between independence and freedom. We will build a democratic regime, proceeding from the particular characteristics of our culture, and all forces that do not trample on people's freedoms and do not infringe on the independence of the country will have the right to exist and the freedom to participate. We will also adopt the system of consultative councils, on grounds that that is the most advanced form of organization for government institutions.

In the future, development will not be to the benefit of subordinate capitalism. Development, in its capitalist sense, does not guarantee the continuation of the revolution, and is contrary to the notion of "progress and development" that has been defined by Khomeyni, who has failed to take account of the importance of the material and economic base of the development process. We believe, from the standpoint of Islamic culture, in a new pattern of development, a pattern which is aimed at the establishment of a "classless unificationist society." That is a conception which interacts with development in its comprehensive sense, with all its dimensions, economic, political, technical, and ideological, and with their integration. It is a development that cannot be fragmented.

In the international context, we are not hypocritical with anyone. It is not our intention to export our revolution in any manner, not in the manner Khomeyni's men are thinking about now. Revolutions, in our opinion, cannot be exported. We need peace and we need men for the sake of construction. We have had enough losses, we have had enough tears. Our international relations will be characterized by neutrality. Here I would like to offer an observation: We made a revolution against relations of hegemony and colonialism, but that does not mean the rejection of absolutely any dealings of that sort.

It is for this plan's sake that the Mojahedin are fighting and for its attainment that they are offering their blood every day.

When you are with people who have status with their own people and have plans for change, and an hour and a half goes by, ultimately you feel that much work lies

behind them and that the destinies of thousands of people are linked to their directives. At that point, you hesitate to thank them for the time they have given you, and you leave them with hundreds of questions in your mind. Your spirit hopes for a further meeting, but will the arrow miss its mark? It is true that the protection is stiff, but how many guards have been penetrated by lethal bullets? We wish safety for Iran, the people of Iran and all its fighting people.

Footnotes

- (1) Ali Shari'ati was one of the major theoreticians of the revolution. He was a university professor but a personality of the masses whom the Savak forces murdered a few months before the revolution. He is considered an important source of the Mojahedin's thinking.
- (2) Judas was the person the Jews suspected, thinking he was Christ, and crucified instead of Jesus, on whom be peace.
- (3) They (the Mojahedin) consider the fall of Beheshti to be a declaration of the end of the regime, because of the general position he held in the organization of the structure of the party and the government.
- (4) Ayatollah Taleqani was a strong man in the religious establishment. He was known for his revolutionary nature and his progressive thinking, especially in his interpretation of the Koran, which, like most progressive Shiite Islamic thinking, has not yet been translated into Arabic. The Taleqani after the revolution was in competition with Khomeyni; in the parliamentary elections, the overwhelming majority of the population of Tehran voted for him. He was very sympathetic with the Mojahedin, defended them in all circles and in his writings, and was one of their major sources. They gave him the name of "Pather" in commendation of him. He died of a heart attack and after his death Khomeyni's regime rose up against the Mojahedin in a direct manner.
- (5) If a mistake occurs in Islamic $\sqrt{\sin z}$ writing the responsibility lies with the person who performed the questioning, since the names were written down in Persian and taken from the tape during the technical transcription of the conversation.

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CSO: 4604/21

REASONS WHY 'RELIGIOUS DESPOTISM' CONTINUES TO SURVIVE

Paris PAYAM-E JEBHEH-YE MELLI in Persian 18 Mar 82 pp 1, 3, 4

[Article by Mehrdad Arfa'zadeh]

[Text] We had an article on the subject of overthrow in order to show, through understanding overthrow, how to recognize true strugglers and to be able to distinguish them from anti-strugglers and pseudo-strugglers. In that article, we emphatically stated the imposition of which policies would change a struggler to a pseudo-struggler and we pointed out that as long as there is no agreement on the definition and the dimensions of an overthrow and misguided policies are not abandoned, it would be futile to speak of unity, because the struggler and the pseudo-struggler do not follow the same path.

Now, we will try to identify the reasons for and bases of the stability of religious despotism and discuss the ways to do away with it. Undoubtedly, if we do not correctly evaluate the enemy, we will not find the way to liberation.

In the articles "Doshmanan-e Hakemiyat-e Melli" [The Enemies of National Rule] and "Saltanattaleban va Payan-e Kareshan" [Monarchists and Their End], we dealt with the reactionary nature of the despotic ruling regime, its historical roots, and its organizational and legal form. Therefore, we do not find it necessary to repeat these issues here. But, before beginning this discussion, several points must be clarified. We hear from the naive simpletons that if several "names" from the opponants of the regime combine forces, the way to an overthrow will be paved. This is without a doubt not so. The combined forces of well-known people will bring nothing but hopeless deception for Iranians even under the most favorable of circumstances. Now, if we add to this the supposition that some of the "leaders" will call on others to combine forces on the basis of the mistaken hope of obtaining credibility and power from foreigners, the results will be distressing. Such an action represents nothing more than a shop for political transactions at the cost of the future of Iran and Iranians. Listening to those who propose silence in the face of the agents of the previous dispotism or the planners of future despotism is also harmful. The truth is, the only value in the combining of constructive forces will come if they recognize and agree on the issue of an overthrow, correctly evaluate the quality and quantity of the forces necessary, correctly evaluate the capability and the power of the

enemy, and are able to design an overthrow plan and gather the necessary forces for it.

The bitter experiences of "Neauphle-le-Chateau," the end of the ministers who were members of the National Front in the Cabinet of Bazargan, the end of the colleagues of Khomeyni from Bazargan to Bani-Sadr, and finally, the consequences of the mistakes of the Mojahedin, if all this has not taught the dealers in power to return to the right path, it has certainly taught the people that there is no healthy outcome to the work of the political businessmen and operators. Meanwhile, another group reacts coldly to the idea of planning and organizing for an overthrow and says that we must not be without hope, because the death of this regime is certain. In answer to this group, we say, "Yes," but the wise saying must not be overlooked that the pulse of a man beats every second while the pulse of history every century.

It is true that the regime of religious despotism cannot gain more than it already has from the rebellion of the people against monarchical despotism. However, to allow the continuation of this era can result in a very costly compensation, such as the imposition of an unfavorable replacement for religious despotism or damage to the territorial integrity of our country.

Because of the importance of this discussion and since we do not have the space to publish it all at once, this article will be published in several sections. However, in order to clarify the course of the discussion, we will point out that we identify the bases of the stability of the ruling despotism as follows:

- 1. The trickery of the economic enslavement of the Iranian people.
- 2. The growth of oppressive forces, "the armed agents of the ruling despotic regime."
- 3. The propaganda organizations of the regime.
- 4. The effectiveness of the political and secret police.
- 5. The regime's use of pseudo-leftist groups.
- 6. The despotic religious regime's use of the remnants of the despotic monarchical regime.
- 7. The lack of a replacement force; that is, the lack of a true alternative to the regime.
- 1. The Trickery of Economic Enslavement

The most important factor cleverly used for the present regime's survival is the imposition of an economic system which can result in the long term enslavement of Iranians. The economic plans of the country, which copy the methods of the Eastern camp, negate the essential foundations of freedom for an unpredictable period of time.

Governmental Capitalism

The economic structure of the regime is evident in its Constitution. Previously, in this newspaper as well as other publications, the role of the Tudeh Party has implicitly been pointed out in this regard. Now, since the issues are more clear, our economist friends must discuss the basis of this so-called Islamic economy. Briefly, we point out that the economic plan which has been described in the Constitution of the clergy was recommended in DONYA magazine a few months before the formation of the Assembly of Experts, the theoretical organ of the Tudeh Party. Undoubtedly, its source is known to everyone. This proposal divides the structure of the Iranian economy into three sectors, governmental, cooperative, and private. Then, in the economic committee of the Assembly of Experts, in which the real operator was Mr Abolhasan Bani-Sadr, the same proposal was presented by him. It was apparently first rejected by the committee, but the afore-mentioned obtained the approval of the Assembly of Experts through skillful maneuvering.

A description of the operational procedures of the afore-mentioned and the ideological roots which resulted in the plan are beyond the scope of this article.

In any case, the practical aspects of the catagorization mentioned in their Constitution has, in practice, presently resulted in the following consequences:

- 1. The government has inherited all the remnants of the industrial and agricultural property of the previous regime.
- 2. As a result of the nationalization of the banks and insurance companies, these sectors have been placed completely at the disposal of the regime.
- 3. In implementing the nationalization law, a portion of the industries and as a result of various confiscations, a large segment of the medium and light industries have been transferred to the government.
- 4. In implementing one legislative note ratified by the Revolution Council concerning the establishment of the foundation of the oppressed, even the management of industries and agricultural and commercial units whose owners do not reside in Iran or for any reason are not personally involved in those units has been given over to the foundation of the oppressed, one of the institutions of the despotic regime.
- 5. Due to the bankruptcy of many of the light industries as a result of the numerous economic crises, their ownership has been taken over by the government banks.

Consequently, the Islamic government has now taken over the ownership of more than 90 percent of the industrial production units and a major portion of the agricultural units (which have not yet been distributed) in the country,

In the cooperative sectors—let the name not decieve you—it must be noted that the capital and the managers are at the disposal of and belong to the despotic regime.

Also, in the commercial sector, the purchase of basic commodities, such as wheat, rice, beats, tea, and meat, is monopolized by the government. In addition, all the foreign trade of the country has been placed at the disposal of the government. In other words, no opportunity remains for an open economy in Iran. The private sector, of which the Constitution speaks ambiguously, is in practice going through its final stage of decline, because the expansive competition of the government in the distribution of goods has also taken this opportunity to work away from the private sector. In addition, if we take into consideration the imprisonment, whipping, and exorbitant fines under the pretext of persons having horded, overpriced, etc., which in certain cases have political motivations as well (in any case, all of these have their roots in the economic disorder; if a correct basis had been established for the national economy, it would be unlikely and uneconomical for hording and overpricing to exist), and also the domination of certain sectors of the ruling group over several large commercial companies, then we must say openly that the role of the private sector will decrease day by day in the future of this regime. It will, in fact, be restricted to that sector of economic activities which the government has no time or patience to deal with. Hence, it can be seen that in conformity with the teachings of the Tudeh Party and with the encouragement and propagation of the pseudo-leftist leaders, the Iranian economy has been established to put the reins of all the economic activities in the hands of the government and the ruling group. Every day, the ties of this unholy alliance are becoming stronger, such that no one would have the power or opportunity for free movement, as is the case in the enslaved countries of eastern Europe. In a sense, if the supporters of that kind of "people's democratic" government were to sit down and think about it, they would realize that, at least in economic areas, they have no ideas or suggestions which have not been acted upon by the Islamic regime in these past three years.

The existence of large revenues, such as from the sale of oil in Iran, had always allowed the government not to levy taxes (that is, on the outcome of the activities of the people, in the correct sense) in order to offer public services, which gave it such powerful control, which was in itself considered a great threat to democracy. To prevent this danger, even some of the experts proposed the establishment of an economic branch along with the other three branches at the time the Constitution was being prepared. In any case, in the past, if even one percent of the plunder of the revenues obtained from the sale of oil had been taken from the people, we would have witnessed great changes and revolutions many years ago. Now, with this level of economic interference by the government, not only have the movement, constructiveness, innovation, and creativity of the people been crushed, but also intellectual freedom is seriously and fundamentally threatened in the long term. The continuation of this economic policy has resulted in the majority of the people becoming hirelings, dependent on the government, or the government is trying to make them join this rank as soon as possible.

Rationing -- The Coupon Economy

On the other hand, the agents of the existing regime try to profit from the economic weakness of the country and the great harm which has been inflicted upon it as a result of the elimination of industrial managers, unreasonable wage increases, the shortage of raw materials, lack of economic security, uncontrolled printing of currency, etc. Gradually, by imposing policies like those of the Eastern camp, they have tried to change the production weakness and economic shortages into a lever of power for the survival of the regime. The existence of Marxist and Marxist-Leninist ministers and even members of the Tudeh Party, such as Dr Banki, who is known to students abroad and has occupied the Ministry of Planning and Budget, has facilitated and expedited the imposition of such policies.

The regime of religious despotism under various conditions and influences has, for the time being, entrusted its very being to individuals such as Banki and Nabavi, who will, when the time comes, destroy it in the interest of their favorite regime. This group has changed the shortage of necessary commodities into a "tool of power" for the government or perhaps for their own group or party.

The rationing of many commodities, foodstuff, and primary needs of the people under the pretext of the war is presently, on the one hand, a means for control and, on the other, a means to collect forces and finally, a means to create silence and stagnation. Today, it is not only the families of those killed and crippled (who line up separately in front of food stores in Tehran in what is know as the martyrs' line), not only the old men in the villages who receive a cash ration of 3,000 rials, but many of the poor families have been brought into the service of the government through ration cards. This bridled force is used as a powerful lever, playing the role of the peoplealways-present-on-the-scene in the show every Friday. It stands in the lines during elections, at other times, in a matter of hours, it becomes the primary motivation of street demonstrations with the cooperation of the operators and mercenaries of the regime and finally, at least some of the 36-million security agency claimed by Mr Khomeyni are engaged in spying.

This policy will not be abandoned, at least not until the regime achieves relative stability and is able to suppress the freedom lovers. The homeless masses who have been uprooted from the villages will feed off the oil revenues without playing the smallest productive role. On the whole, especially in villages, towns, and small cities as well as some of the quarters and large cities, the ration card creates fear and silence. Putting a stop to ration cards would threaten the lives of many families. In this manner, the people who are discontent in Iran, if they are not the prisoners of Evin, Qasr, etc., are prisoners of sustinence for themselves and their wives and children.

On the one hand, the expansion of governmental capitalism reduces free occupations day by day, makes everyone dependent on the government and its agents, and, in the least, eliminates individual freedom. On the other hand, the coupon economy policy and control over the distribution of the primary commodities have made the handcuffs of human enslavement much tighter. Perhaps in the future, if no serious confrontation takes place, they will become even tighter, which will provide a permanent foundation for the establishment of a regime whose changes are merely in the interactions at the level of the rulers. The methods to confront these anti-people policies will be examined in the section on overthrow methods.

The Armed Forces of the Islamic Republic

The second major force which has helped stabilize the despotic regime is its repressive armed forces. From the first day, Khomeyni and his friends found that their regime was a system unharmonious with the culture and national wishes of the Iranian society. Hence, they decided that the solution was in self-sufficiency through the establishment of despotic law and order without having to rely on the existing administrative and social establishments. The armed guardians of the Islamic Republic are in various organizations. We will deal here with the most important.

The Guards Corps

This Corps was created to replace the Iranian army, which had been freed from the domination of the Pahlavi family but would not submit to the shackles of religious despotism. Not only were the commanders not trusted by the clerics and pseudo-clerics, but also by the young officers and some of the soldiers. For this reason, the government system tapped a special stratum of the society to employ them both as believers in the regime and as functionaries and mercenaries.

Many of the riffraff and many of the migrants who were uprooted from villages and found wandering in the cities were transformed into Guards and self-sacrificing members of committees. Everyone knows about the retiring of officers without any clear order or guideline which started during the transitional government and continues to empty the barracks. Furthermore, the purge of the army at various times and in various dimensions, the slaughter of military personnel with the cooperation of Khalkhali, Bani-Sadr, Reyshahri, and others, and finally, dragging the army into war with Iraq under unbalanced and unfavorable conditions, and the continuation of this war have been and are all intended to destroy the army and its remnants in order to create and develop an army of clerical despotism in place of the national army.

Now, the Guards Corps contains more than 80,000 mercenaries and zealots. There are plans underway to increase it to an army of 120,000. Their arming and training, as it has been said, is taking place with the help of more than 2,000 advisors of the Eastern camp.

It will be no surprise if in a few months, or at most by next year, all or most of the conscripted soldiers are given over to the Guards Corps. Preparations for the establishment of armored sections and the use of heavy artillery have been made in the Guards Corps and some of the officers have been transferred to the Guards Corps. When you add to this organized force the committee agents who have been created to replace the police and gendarmes and are being

spread from the smallest towns to the largest cities under the leadership of the former prime minister, "Kani"--the armed mobilization guards, the Javanmard, the Islamic Feda'is, the Imam Feda'is, the Muslim Kurdish suicide squad, etc., and the paramilitary groups of the regime--and when you examine the social structure, the kind of psychological input and the material provisions, you will see how the clerical regime is expanding its armed and security forces.

The government has tried and is trying still through severe and crippling controls, creating fear and terror, and imposing severe policies and punishments, rarely precedented in our history, to neutralize and completely absorb the remainder of the army, the police, and the gendarmerie. The plan for their absorbtion is being carried out through political controls using the political and ideological units ruled by the "clerical commissioner" and also through other committees, Islamic societies, and the secret police. Last week we saw that Guards were chosen to fill the positions of deputy and director-general of social affairs of the national police. This signals the beginning of the end of the absorbtion of the law enforcement units. In this manner, in short, we can say that the despotism of the clerics will tolerate only its own armed guards. Those who have set their hearts on the survival of the army in the long run are mistaken. The army of clerics will also be mobilized for the members of the regime and not for national aims.

The Propaganda Organizations of the Regime

Another basis of the strength of this regime is its propaganda organizations. All the publications of the country are in the hands of the regime or under its "thumb." Almost all the newspapers, books, and small and large weeklies are fed from the general budget.

The national radio and television network does their bidding. And, in any case, they benefit from their old weapon, the large network of mosques and centers of religious mourning as well as from the days of religious mourning and celebration. They use all of these to come in direct contact with the people, which is to say, the contact between the clerics and the masses. Khomeyni has correctly realized that he has a shortage of "propagators and judges," because thousands of clerics, from the professional mourners and preachers all the way up to religious scholars [mojtahed] -- attracted by power and enjoying advantageous governmental positions -- have become the open eyes and ears and ultimately the talkative, jabbering tongues of the regime of religious despotism in order to weaken, bring to submission, deceive, and persuade the masses. It was not for naught that from the first day, the Revolution Council placed a large budget, in addition to the revenues from the religious endowments and religious funds, at the disposal of Montazeri and others--the papers and documents of which were published and exposed at the time--to help the market for propagator training to thrive in the religious schools or cadre-manufacturing factories of the regime. The neutralization of each of these propaganda tools of the regime requires a specific method and a particular solution.

Political Control and the Secret Police

Another basis for the survival of the regime is the imposition of methods of police control. The clerics and their partners without turbans had from the beginning not only learned from the experiences of such organizations as SAVAK, MOSAD, and the CIA, but also from the experiences of and cooperation with the KGB, Cuba, and North Korea. They took steps to create and expand two kinds of secret police organizations through two main methods: SAVAMA, which is known to everyone, and a special organization which is said to have stemmed from the Guards Corps and is operating with the cooperation and control of a special segment of the clergy.

Many point out that the latter has been considered insignificant even though its expansion, influence, and workability is no less than the former. What we saw in stifling military and paramilitary movements, in exposing opponants, the occupation of the embassy, and the war shows the competence of the regime's secret police. Also, it should not be overlooked that a segment of SAVAK and the intelligence and counterintelligence operations of the military, police, and gendarmerie have come to the service of the regime as well as the material and spiritual sectors. And finally, now it has become a much larger and more expansive organization than it was during the shah's time; that is, it has become the nation's Ministry of Security and Intelligence.

We will continue the remainder of the discussion on identifying the bases of power and survival of the regime in another issue. We hope that those who have felt their national responsibility and have joined the ranks of the strugglers do not think of the task of an overthrow as simple or the regime as weak. We have learned from the ancients that hunting the fox is hard work and requires special cunning.

9593

CSO: 4640/252

DEVELOPMENT, GOALS OF REGIONAL ENERGY COMMISSION REVIEWED

Baghdad AL-NAFT WA AL-'ALAM in Arabic No 95, Jan 82 pp 38-40

[Article by George 'Aziz Yaqu: "Iraqi Regional Energy Commission: Its Goals, Accomplishments and Future Plans"]

[Text] The idea of forming the Iraqi Regional Energy Commission was generated by the resolution adopted at the first Arab energy conference, held in Abu Dhabi from 4-8 March 1979, in accordance with which it was decided to form regional commissions in all of the Arab countries.

The Iraqi Regional Energy Commission was formed on 27 March 1980. The commission represents a number of government departments connected with energy, in addition to the Ministry of Foreign Affairs. The commission was formed to perform two main tasks:

First, make decisions on all matters pertaining to activities, studies and expertise connected with preparations for the UN energy conference and the Arab energy conferences, to nominate participants for these conferences and to express its opinion on their scientific contribution.

Second, propose the proper policies to streamline energy consumption in the country and to coordinate the efforts leading to increased and diversified energy resources of all kinds in a manner compatible with the country's policies in Arab and international organizations.

The UN conference for new and renewable energy sources was held in Nairobi from 10-21 August 1981. The Nairobi Energy Action Plan was approved at the conference, and it was agreed to implement this action plan and to examine in some detail the possibilities of international participation to realize the goals of the plan. So, even though the conference proceedings ended after 21 August 1981, this conference still has activities characterized by continuity, as decided at the conference.

At the level of Arab action, regional commissions have actually been formed in most of the Arab countries. The chairmen of these commissions will form the Arab Energy Commission, which has not yet been formed. It is expected that stress will be laid on forming the Arab Higher Energy Commission at the second Arab energy conference, to be held in Qatar from 6-11 March 1982.

Regarding the streamlining of energy consumption, the Regional Energy Commission has adopted numerous measures and resolutions and has established coordination among various state organizations on matters pertaining to streamlining energy consumption, which is based on the following main principles:

Increased efficiency of energy consumption through heat insulation, through the use of heat insulation designs and by enhancing the efficient use of energy in factories by utilizing the largest possible proportion of the energy consumed.

Enlightening the citizens as to the importance of curtailing the wasteful consumption of energy, including the energy consumed in homes and by the socialist, joint and private economic sectors in industry, agriculture and transportation.

Utilizing modern technology and other non-oil energy alternatives, including, insofar as Iraq is concerned, the intensification of efforts to utilize water-generated energy and solar energy.

It is worth noting in this regard that many countries of the world have been able through streamlining to curtail their energy consumption by more than 20 percent without affecting their development rates or their living standards, keeping in mind that Iraq, according to some estimates, will consume nearly 100 million tons of oil [annually] by the end of this century.

The above makes obvious the importance of the tasks entrusted to the Regional Energy Commission. These tasks require a high degree of coordination under the supervision of specialists in energy affairs and in streamlining energy consumption.

Advisory Committees Linked to Regional Energy Commission

To achieve the above-mentioned goals and tasks, the Regional Energy Commission has formed advisory committees including representatives of the various government departments concerned and including the universities and the Scientific Research Center. The purpose of these committees is to present recommendations and proposals on the measures and regulations to streamline energy consumption in the short, medium and long range. The activities committees will operate through and in cooperation and coordination with the departments concerned. The advisory committees formed so far are:

The Solar Energy Advisory Committee: It was formed 11 February 1981 and its tasks have been defined as formulating long-range plans to utilize solar energy economically and scientifically and researching, planning and producing the utilization equipment.

The committee has reviewed the issue of solar energy and the possibility of developing the country's utilization of solar energy at the levels of research and application. The committee has also discussed the best means available

for the utilization of this energy and has proposed that solar energy be used in practice in the following three main sectors in an initial phase of application:

In the service sector, agreement has been reached in principle to set up projects under the supervision of the Solar Energy Research Center for practical application of solar energy in air-conditioning. In the agricultural sector, the emphasis will be on using solar energy in the following areas: air-conditioning of greenhouses, crop drying and water desalination. In the industrial sector, the Solar Energy Research Center has developed a solar heater suitable for the country's [weather] conditions. The study was presented to the Ministry of Industry and the Public Industrial Development Organization has been instructed to manufacture the heater. The committee has also proposed that production of the solar heater be subsidized or that the buyer wishing to purchase this heater be subsidized, as is done in most countries of the world where the consumer is compensated for the difference in the cost of using a solar heater instead of oil or gas heaters in order to preserve oil. The task of preserving oil is one of bolstering the national economy, considering the world prices of oil and considering the fact that the ideal use of oil is in the production of petrochemicals. In addition to the above, the committee has proposed, in case it is impossible to produce the solar energy equipment and apparatuses [locally], that it import such equipment according to approved specifications and controls, provided that the costs shouldered by the consumer are subsidized and that new price controls are set for production and importation over successive periods and according to circumstances and resources. The committee has also proposed that the right incentives be given to the private sector when the wis to invest in such projects is expressed.

Finally, the committee has, in cooperation with the Solar Energy Research Center, formulated an action plan containing phased and interconnected action plans and a long-range strategy to develop the country's use of solar energy at the level of research and application.

Industrial Facilities Advisory Committee: It was formed 4 March 1981 to study all issues connected with energy consumption by the country's industrial facilities and to conduct studies for streamlining all kinds of energy consumption by projects that are still in the planning and blue-printing phases and projects already in operation. In its studies and activities, the committee has focused on factories, plants, electricity plants and refineries, which are among the industrial facilities that consume very large amounts of energy. Moreover, there is a high degree of energy waste in some of these facilities as a result of their being operated according to conventional methods. For example, the Ministry of Industry is studying the possibility of shutting down old cement factories that use large amounts of energy, replacing certain plants and constructing new plants that use energy more economically in the production of cement through the dry or semidry method instead of the wet method, which consumes a very large amount of energy.

Following are some of the measures, ideas and projects that have been or will be implemented by the committee in cooperation with the authorities concerned to realize the above-mentioned goals:

Cooperation and coordination between the Ministries of Oil and of [Industry and] Minerals to reduce energy consumption in power plants, factories and refineries. (This cooperation and coordination) has begun to intensify and has entered the phase of serious and scientific studies.

Keeping up with the most important developments in the world, especially developments pertaining to cement plants using the smallest amount of energy possible. The same applies to the electricity plants, considering that the committee is studying the possibility of utilizing a part of the steam used for generating electricity for the purpose of heating and cooling the buildings and homes of workers employed in the power plants.

The idea of producing electric energy for the needs of the refineries and of utilizing the steam generated by these operations for various industrial purposes. To realize these goals, numerous discussions have been held with specialized foreign firms on cooperation in this sphere.

Heat Insulation Advisory Committee: It was formed 9 March 1981 to study issues pertaining to the insulation of buildings, residential houses and service buildings and to reduce the energy consumed in heating and cooling by importing or producing the means of heat insulation and by setting the necessary regulations for the purpose.

Following are some of the measures, means, ideas and projects that have been carried out or will be carried out by the committee in cooperation with the authorities concerned to realize the above-mentioned goals:

Laving down new regulations for building and construction material specifications and preparing modern building laws that set conditions for minimal heat escape through external walls and ceilings and for maximum levels of heat escape per square meter of windows in buildings or residences (while allowing the architect to choose the proper design within these limits, which seek to preserve energy) and requiring all sectors to abide by these limits.

Setting controls for the use of insulation materials, both imported and locally produced.

Explaining in detail the use of heat insulators in architectural blueprints and preparing a pamphlet for this purpose.

Taking into consideration the air escape factor according to international standards (and when local regulations become available) when setting up plants for the production of doors and windows or when importing such materials or their components.

Forming a specialized cadre to examine the means of energy preservation in architectural, construction, mechanical and electrical blueprints. These

cadres are to be formed in the departments licensing the construction of buildings, residences and other installations.

Setting up laboratories to test heat insulation materials and to issue certificates approving the use of such materials and specifying the sites and locations in which each material is to be used.

Entrusting the higher studies departments of the country's universities and the Scientific Research Council to prepare studies for developing the requirements, blueprints and materials that lead to improved energy preservation.

Initiating discussions with the authorities concerned to study the possibility of producing heat insulators such as (rock wool, metal fibers and foam glass).

Instructing and urging all government departments and consulting firms to use heat insulators in walls, ceilings and windows until regulations are issued.

Asking the authorities concerned to examine the possibility of making available heat insulation materials so that they can be used in buildings.

Transportation Authority: It was formed 12 March 1981 to study issues connected with energy consumption in means of transportation and to issue the necessary technical regulations in this regard, with emphasis on the following:

Avoiding as much as possible unutilized movement and setting regulations to realize this end.

Using the shortest traffic routes.

Utilizing the most economic speed of each vehicle.

Following are some of the measures, means, ideas and projects that have been or will be carried out by the authority to realize these goals:

The means to utilize available energy at the highest degree of efficiency possible.

Ideal utilization of the shortest traffic routes.

Studying the possibility of using alternative engines or of replacing engines to guarantee the minimal consumption of fuel.

Replanning cities in a way that facilitiates traffic and makes it possible to get from one point to another in the shortest time possible and with the fewest stops.

Adopting the principle of mass transportation over that of private transportation to reduce fule consumption.

Electrifying railroads and conducting a study on the economics of conventional energy compared with the cost of electricity.

Introducing the direct use of solar energy to generate electricity and to supply the electricity needed for remote stations that do not require large electric power, such as communications [stations] and traffic lights.

Asking the authorities concerned to look into the question of alternative engines or to replace engines in a manner insuring smaller fuel consumption and to prepare the specifications needed for the purpose.

Emphasizing the linking of traffic lights in Baghdad and other cities to a central control apparatus to insure full control over traffic lights, to facilitate traffic flow and to avoid traffic jams at intersections when traffic moves at a set and moderate speed inside the city. Fuel consumption resulting from the numerous stops and starts at traffic signals could thus be reduced.

Stressing to the officers in charge of [government] vehicles the need to keep special records on fuel disbursements and disbursements on the basis of kilometers traveled and to make drivers accountable in light of these calculations.

Studying the possibility of making use or river transportation.

Initiating discussions with the authorities concerned to reconsider the sites for car parking along public streets, to organize traffic circles in a manner leading to reduced fuel consumption in parking cars, to establish special sites for parking and to ask building owners to build underground floors as parking lots so as to alleviate traffic jams in the street as much as possible and save vehicles the trouble of having to travel long distances to find parking.

Advisory Committee on Prices of Energy Used in Country: This committee was formed 10 May 1981 to consider the prices of energy used in the country. It is not the purpose of this committee to replace the Trade Regulation Committee or the committee that prices the oil products marketed by the oil establishments. This committee will examine the long-range prices in light of the country's streamlining of its energy consumption. Naturally, the committee is concerned with local energy prices and has nothing to do with the export prices of either oil products or crude oil because there are special agencies concerned with these prices, which are tied to international energy prices to begin with.

The main goals of this committee are to study the long-range prices of the energy products used in the country, such as luquid oil products, natural gas in all its forms and specifications, liquid gas and electricity in the light of extensive research and to provide a realistic and correct evaluation on the issue of streamlining energy consumption in the country.

When examining the issue of long-range prices, the committee seeks guidance from the following main factors:

The development that has occurred or will occur in energy consumption and the need for streamlining by reducing consumption and developing new and renewable [sources of] energy.

Issues pertaining to the Iraqi citizen's energy needs, to the individual income standard and to industrial, agricultural and social development requirements.

The effect on energy prices of streamlining consumption.

Price issues pertaining to energy prices for the socialist [public] sector. The committee presents the outcome of its studies in quarterly and annual reports dealing fundamentally with the following issues:

Following up on the connection between the energy price policy and the requirements for a balance in the production and consumption of the country's available alternative [energy resources].

Making proposals on the measures for streamlining energy consumption according to the citizens' needs, the income standard and development requirements in the various economic sectors.

Following up on scientific development and technological means in the use of new energy alternatives and testing the practical possibilities for the use of these means in the country.

Proposing the administrative, technical and informational requirements for implementing the measures to streamline energy consumption.

8494

CSO: 4404/372

ALLOCATION OF 7 BILLION DINARS FOR INVESTMENT PLAN DESPITE WAR

Baghdad AL-THAWRAH in Arabic 6 Mar 82 p 7

[Article: "Despite Circumstances of Our Just War Against Racist Persians, 7 Billion Dinars Are Allocated for Country's Investment Plan During Current Year; Our Country Is Building Future Full of Confidence and Bright Optimism While Enemy Is Sliding Toward Poverty and Destitution"]

[Text] This year's three economic documents, namely, the annual investment plan, the foreign trade plan and the state's general budget, have focused on the bases of the holy war being waged by our country resolutely and capably against the racist Persian enemy in addition to focusing on developing the country's resources and capabilities for continuing its active development and its cultural renaissance with progressive steps.

Allocations for the investment plan exceed 7 billion dinars or three times the allocations of 1976, which was the first year of the first 5-year national development plan.

Realization of Central Objectives

The plan seeks to realize the central objectives approved in the second 5-year national development plan, covering the years 1981-85, by building the infrastructures of the Iraqi economy and eliminating bottlenecks that might crop up in providing the requirements for continued implementation of the projects already under construction and the complementary projects aimed at raising the production capacity of the existing industrial projects, in addition to implementing strategic projects.

The requirements for implementing this plan have been prepared so that the completion rates for the projects included in the plan will be higher than in any previous year. Moreover, the projects implemented during the current year will be more numerous than those implemented in any previous year. On top of all this, the firm economic stability will continue this year as it did last year insofar as the availability of consumer goods, especially foodstuffs, is concerned. This stability will be paralleled by the realization of military victories on the battlefronts against the racist Persian enemy.

The allocations for last year's—the first year of the second national development plan, for which estimated financial allocations exceed 40 billion dinars—investment plan amounted to 6,743,000,000 dinars. The allocations of the general state budget nearly equalled the investment plan's allocations, whereas allocations for the foreign trade plan amounted to nearly 5 billion dinars.

The investment plan for last year, the first year of the holy war against the racist Persian enemy, included 5,840 agricultural, industrial, transportation, education, housing and public service projects. Top priority was given in the plan to agricultural projects and to rural development within the framework of the party and revolution leadership's inclination to achieve food security. It is expected that food in the future will be a strategic commodity with greater importance than oil has now. Because oil will remain a main resource for 5 or 6 decades to come, the best use of its revenues at the moment lies in the construction of compensatory development projects.

Annual Individual Income Rises 27.9 Percent in 1969-80 Period

Thanks to the enormous development accomplishments realized in the country so far, national income rose by 27.9 percent annually during the 1969-80 period and individual income rose by 24.2 percent annually. It is expected that these growth rates will escalate during the second, or current, 5-year national development plan.

There have also been increases in the investment rates as a result of the growth realized in the country's economic absorption capacity in the areas of production investment and as a natural result of the major expansion taking place in the infrastructures [al-buna al-irtikaziyah].

Therefore, the industrial sector's development plans have been considered one of the fundamental mainstays of economic and social progress (because of this sector's dynamic effect) on the modernizing change and development process. Moreoever, industry helps to create cumulative processes through the utilization of local resources, through the enhancement of labor and capital productivity and through the [expansion] of local production and trade exports.

Thus, the wheel of Iraq's development and growth is moving at a rapid pace and according to a smooth scientific design and long-range calculations on the remotest positive or negative possibilities and according to advance preparations for these possibilities. Iraq is expected to move from its position among the developing countries to take its place among the advanced countries. The signs of this qualitative move are already on the horizon.

This is what is happening in the country at present, whether under the conditions of peace, which entrench growth and development, or under the conditions of war, where developing Iraq's military capability is calculated within the framework of the comprehensive national development movement seeking to provide the shield that protects these great gains and

accomplishments and defends them against the malice of the enemies, the greed of the covetous and the tampering of the saboteurs.

Meanwhile, the Iranian economy has been deteriorating and now stands at the brink of total collapse, especially since it has come to depend on foreign economic powers more strongly than at the time of the shah.

Iran's Economy Lost Battle

It isn't we who say this but Abol Hasan Bani Sadr, ex-president of Iran. Informed international circles assert that the Iranian economy lost the battle during the first weeks of the war.

In 1978, Iran's oil production amounted to 5.9 million barrels daily. Then came the worker strikes and the Iranian people's uprising against the shah's regime, especially in the Arab region of Ahwaz, and production dropped to about 4 million barrels daily. The decline continued under Khomeyni's gang and under the political and economic chaos that prevailed in the country, with production dropping to 2 million barrels daily in the first half of 1980. This drop aroused the anxiety of the world's economic and oil experts, keeping in mind that Iran's designed oil production capacity exceeds 6 million barrels daily.

In August 1980, production dropped to 1.7 million barrels daily at a time when the Iranian economy had a deficit of \$13 billions.

This was Iran's situation long before the war. Shortly before the war, on I July 1980, the Central Bank of Iran announced that the country's inflation rate had risen from 30 percent to more than 40 percent within 1 month. After a full year, that is, during the war, it rose by more than 250 percent. The bank attributed this rise to Iran's deteriorating economic relations with the world, except for the Zionist entity and the United States.

Currenty Without Backing

Can anybody imagine that there is a currency without backing in any country?

This is the truth of the Iranian currency at present and this truth is confirmed by the London exchange. This fact has compelled Khomeyni's gang to sell Iran's gold reserves in a stupid patchup attempt to pay the accumulated debts owed by Iran and to pay for Iran's other expenditures.

A state that sells its gold reserves, which constitute the support for its currenty, and in such large quantities, is a state that is in a very poor financial situation. This has led to the emergence of cracks in all of the other economic spheres.

Iran is now importing agricultural products at a time when it cannot pay the bill for its imports. The oil sector is totally paralyzed, except for some small wells, at a time when the country has been relying mainly on the Ahwaz oil fields and refineries to earn 90 percent of its oil revenues. Dark Future for Iranian Peoples

This is in addition to the enormous mature debts whose interest is accumulating. What a dark future awaits the Iranian peoples!

Two neighboring countries: One building the future full of confidence and bright optimism and speeding its steps toward a new tomorrow in which the springs of generous growth and offerings will gush forth, the other sliding toward poverty and destitution and standing on the brink of a deep abyss. Both countries enjoy abundant blessings and good and generous soil. But the difference is a wise and courageous leadership here that has set man's interests, with his national sentiments and his legitimate aspirations for a prosperous future, as its goals, whereas there we find a gang of swindlers, smugglers, enemies of the light and 'scorpions' fighting one another and lurking for one another under the canopy of a chaos pervading the entire country and amidst peoples staggering under the yoke of oppression and tyranny. But these peoples are getting ready to pounce and sweep away this human scum. There is no comparison. Despite the passage of 18 months in its holy war against the racist Persian aggression, Iraq is today speeding up its development. By virtue of the accomplishments it has realized in this area, it is no wonder that Iraq has become a pioneer whose development experiences are copied by Third World countries, considering that these experiences have proven their success, just as have Iraq's strategy and future designs for a new world living under a fair economic system based on free and positive cooperation between the world's big and small, advanced and developing countries.

This is today's Iraq, the Iraq of the Ba'th and of Saddam Husayn.

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cso: 4404/372

INTERNAL SECURITY MINISTRY, OTHER POLITICAL DEVELOPMENTS DISCUSSED

Tel Aviv YEDI'OT AHARONOT in Hebrew 19 Mar 82 Weekend Supplement p 5

[Text] Will a Ministry of Internal Security be set up? The plan, to set up a ministry of this sort to include the police, special services and other regular functions, was proposed 6 months ago. Mordechai Tzipori is the minister designate for the post, but Dr Burg made clear this week that he is not prepared to give up the police portfolio. Members of the National Religious Party say that democratic states do not distinguish between interior and police functions and they add: "Imagine Sharon and Tzipori conducting wars with two armies!"

The storm that arose this week over the "Meridor Plan" has blurred the prime minister's failure to arrange improvements in the structure of government and to set up a new office for internal security matters, which was set to be turned over to Minister Mordechai Tzipori.

The proposal to set up an office of this sort, and to put Tzipori in charge of it, was raised half a year ago in the course of establishing the present government. According to the plan, the office of internal security was to include the police, special services and other regular security-handling functions within Israel.

The idea was not implemented at the time because of the objection of Dr Burg to giving up the police portfolio, which was a part of his interior portfolio. According to associates of the prime minister, Burg promised to give it up after a year. Spokesmen for Dr Burg deny that he ever made such a promise. The only thing that he was prepared to promise, according to them, was "to go back and reconsider the matter."

This week Burg showed no inclination to go back and reconsider the matter. When rumors were published about Begin's intention to give the portfolio to Minister Tzipori, Burg rushed to set up a meeting with Begin and let him know that he had no intention of relinquishing his inheritance.

Senior people in the coalition claimed recently that the pile of portfolios held by the NRP is above and beyond what it deserves on the basis of its parliamentary strength, which has shrunk lately with the resignation of MK Rabbi Haim Druckman. They claimed that the NRP must give up some of the portfolios that it holds.

Burg's associates see it differently. They claim that the key in the Knesset is to have a minister for every three members. The NRP has six MK's (they still consider Druckman to be in the NRP) and two ministers. Indeed, these two ministers hold four portfolios (police, interior, religion and education), but they feel that that is alright.

In general, the NRP people claim, why do they not take from Tami? They have only three MK's and in exchange they got a minister and two deputy ministers, who in fact hold four portfolios—labor, welfare, immigration and absorption—and that is really not right.

The NRP people also have an excuse, which they call "democratic"; they say that in democratic countries you do not separate police functions from interior functions, and only in totalitarian states is there a ministry of police. They say further: "Imagine that Sharon and Tzipori would divide the conduct of war among them, with one having an army for security matters and the other, an army for internal affairs."

It is superfluous to say that Begin did not recognize the mathematical calculations—those of the NRP people or those of the coalition people who want to cut their opposite number's territory. Who more than Begin knows that the rules of arithmetic do not apply to coalitional calculations, and that what is clear and precise in the world of numbers, in the political world is a dangerous flight of fancy.

Therefore, Burg was able to return quietly to his office this week, and Minister Tzipori will apparently have to continue to wait for a more favorable opportunity to get the ministry that seems to him worthy of his qualifications.

Will Shuval Join the Government?

If Telem should join the coalition, there is a possibility that Zalman Shuval would represent it in the government. But there is also the possibility that the strife within Telem about who would represent it in the government could ruin all the negotiations for its entry to the coalition.

The advanced negotiations, which MK Mordechai ben Porat held with coalition elements, were broken off, of course, more than 2 weeks ago. That followed the outcry by members of the list's "steering committee," the same body that was set to be the "foundation" of the movement founded by Moshe Dayan, may he rest in peace.

Former MK Zalman Shuval was among the leading critics of the negotiations. He condemned the "attempt by Likud to promote representatives of one movement over the heads of the founders of the movement." Because of this criticism it was decided to hold a session of the steering committee, which has not yet taken place, and in the meantime the negotiations were broken off.

Apparently Yig'al Horvitz is the natural candidate to join the Likud government if Telem should decide to join the coalition with Beg'n. After all, he was already there. But, of course, Horvitz is not crazy about the idea. He does

not want to be in the government at precisely the time of the evacuation from Sinai. This disinclination on the part of Horvitz is quite agreeable to those members of the list who prefer the Alignment and who hope that after the evacuation a constellation will be formed that would make possible the setting up of a replacement government headed by Peres with the participation of Telem.

If, despite all this, Telem should join the present government, there exist two possibilities—either ben Porat would be a minister and would give up his Knesset seat to Shuval, or Shuval would be the minister and ben Porat would remain in the Knesset. But, as noted, there is a third possibility—that the strife within Telem will kill the whole matter.

Peres: "We Will Not Conduct Negotiations for the Evacuation of Settlements"

It was Yitzhak Rabin who levelled the sharpest criticism at Yisrael Galili and Shimon Peres for their visit to Samaria; the majority of the hawks of the party, who belong to United Kibutz, are in his camp.

In a closed meeting, Rabin criticized both the meeting and its timing. He did not hesitate to criticize Galili, among the leaders of United Kibbutz, and said that he was amazed that a person whom he deems to be intelligent could be drawn into that meeting.

The visit brought out again how divided opinions are in the Labor Party with regard to the settlements in Judea and Samaria and to what extent hawks and doves in this party can change their feathers.

The episode of the Labor Party branch in Ariel was published even before the elections. As is well known, the party office certified the branch, which even managed to get a fiscal allocation that was transferred to it by way of the organization department. But in Ariel they remember that the general secretary of the party, Haim Bar Lev, voted against its establishemnt.

When it was reported last week by the media that Peres said, in response to journalists' questions, that Ariel was not included in the Labor Party's concept. there was a storm in the local branch, and there were even those who called for his public resignation from the party. In Ariel they like to say—and to base what they say on documents in black and white—that it was Peres who in March 1977, when he was defense minister, authorized together with Galili (who was chairman of the ministers committee on settlement matters) and Ozen (whe was minister of agriculture) the purchase of a thousand dunams of land from Kfar (Haris), which were intended for the establishment of Ariel. Peres, who initiated the trans—Samaria highway, saw the importance of establishing two settlements along the highway—Ariel and Elkana. Elkana, one of the first Gush Emunim settlements, was able to be set up by the Alignment, whereas Ariel was set up by Likud.

on the eve of the last elections, Peres was asked by members of the Labor Party to innounce his stand regarding the place, and he replied: "It is worthwhile to remember, especially now, that when I served as minister of defense, the ministers committee on settlement matters authorized the purchase of the lands in response to your initiative. The progress in the construction of Ariel

seems to me, therefore, to be positive. I hope that the Labor Party will continue to carry the burden of national responsibility and put the foundation of Ariel in a proper program at the required pace."

That letter was written in order to assuage the settlers of Ariel in the wake of rumors that were rampant then to the effect that Peres and Bar Lev had promised, at a meal with the American ambassador, that the settlements would not stand in the way of a settlement with Jordan and that they would be able to continue to exist there under Jordanian rule.

What is the position of the Labor Party now towards the settlement of Judea and Samaria, if in fact it has a position at all?

Several of the labor leaders have said recently in internal discussions that a new reality is being created in Judea and Samaria as a result of the massive settlement that Likud initiated, and this reality must be taken into account. The Labor Party will thus have to find a formula that will clarify how to continue to hold in principle that we should not rule 1.3 million Arabs without evacuating the settlements.

Several Labor Party leaders claim that were Peres in Begin's place, he would never have agreed to evacuate the settlements of the salient. Those same people believe that if Peres were to conduct the negotiations for a settlement in Judea and Samaria, he would not support the evacuation of the settlements there. This position is not accepted by several of Peres' associates, who say: "When the time comes, we shall see...."

Peres himself, when he was asked this week if in the face of the new reality the Labor Party would have to change its map of territorial compromise, replied: "The Labor Party has no map, and we never spoke of any map. We spoke of principles. Were there a map, we would have to change it. Since there is no map, there is no need for change. The stand of the party is ideological. We do not want to rule over 1.3 million Arabs. Any agreement that will enable us to reach this goal is possible. We have not ruled out autonomy, confederation, territorial compromise. Until we conduct negotiations, there is no need to affix labels. When we see who will conduct the negotiations, then we will decide. We will look for all kinds of solutions. We will not conduct negotiations on the evacuation of settlements."

54 MK's Favor a Change in Election Procedure

Fifty-four MK's favor a change in election procedure, 19 oppose and 35 abstain from dealing with the question at all. The rest abstain from taking an unequivocal yes or no position. This was brought out by a personal opinion survey conducted among Knesset members by the organization Citizens Who Care.

The organization, whose members are primarily from Anglo-Saxon countries and are close to Labor, put the results of the survey at the disposal of the "interfactional committee for changing election procedures," which has now been operative in the Knesset for a month, headed by MK Gad Ya'aqovi. The members of the committee are MK's from all of the parties—Shahal from Labor, David Magen from Herut, Ben Porat from Telem, Perah from the Liberals and Yarshovski from Shinuv.

In the session held this week, it was decided in accordance with the request of MK David Magen to wait for the conclusion of the Herut conference before taking new initiatives. Magen explained that the topic was about to be raised in the conference, and there was the prospect that a positive decision would be given there. Such a decision would give moral cover to the Herut MK's who want to support the bill despite the promise that was made to the NRP and the Aruda in the coalitional agreement that no initiative for changing the election procedure would be undertaken except by agreement of the partners.

Petition in Herut for Returning Weizman

Jojo Avitan, the mayor of Ashdod, has never concealed his support of Ezer Weizman. This week, Avitan decided to try to enlist the members of Herut's central committee in a petition calling Begin to order a conclusion to Ezer's suspension from Herut.

Says 'ojo: "How long is the suspension? For a month? For 3 months? For a year? How long a sentence has the secretariat given Ezer?"

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CSO: 4423/134

JOURNALIST INTERVIEWS VILLAGE LEAGUE SECURITY FORCES

Tel Aviv HA'ARETZ in Hebrew 19 Mar 82 p 13

[Article by Amos Eilon: "Bethlehem and the Forces of Bishara Qumsiya"]

[Text] The entrance way to the office of Bishara Qumsiya, head of the village league in the Bethlehem area, is blocked by a border patrol command car and half a dozen unshaven youths in sloppy, civilian clothes, armed with submachine guns. Sitting in the command car are uniformed soldiers wearing green berets. But who are these stern-faced guerillas, wearing kafiyahs over windbreakers or holey sweaters? They are bedouins from the Taama and Avadia tribes, serving in the new village league security forces in the area of Bethlehem, Ramallah and Hebron. Here in Bethlehem, their monthly wage is 5,000 shekels. In their pockets they have permits issued by the military regime to carry weapons (Uzi sub-machine guns) and 50 cartridges.

Who is their commander?--Bishara Qumsiya's son. Are they a militia? Militia, they say, is a negative word. Why? Because it is reminiscent of Major Hadad's forces in southern Lebanon. What are they then?--Security forces. How many are there?--Thirty at the moment. Have they received training?--Yes. Where?--On an IDF base near Kfar Etzion. Transportation?--Jeeps.

Those who approach the gate are questioned thoroughly—who, from where, why, when. The young interrogator's fingers are playing with the safety latch. In addition to the Uzi, he has a knife and a pistol, stuffed into the belt on his pants. The kafiyah flutters in the wind. One of the youths is sent inside and returns with a pass.

Inside, more armed men and more questions. This is how visitors to the office of Bishara Qumsiya, head of this private little army backed by the Israeli government, are greeted. Qumsiya is a rich, local businessman, now heading the village league and as such, one of the great hopes of the Israeli government. The hope for new anti-PLO leaders on the West Bank is focused on people like Bishara Qumsiya in Bethlehem, Mustafa Dudin in Hebron and others.

Bishara Qumsiya's offices are large and spacious. Once they housed Bethlehem's post office and telephone service. There are many rooms, filled with desks and empty chairs. Armed youths lean against the walls. There is no one else here. The windows have gratings to protect against bombs.

Bishara Qumsiya himself is waiting in a back room. He is a heavy set man wearing a kafiyah and band on his head. His face is fleshy and pale. His broad hands rest on the table. The only item on the table is a calendar from the Tal Avivit company, a known manufacturer of weapons. On the wall hangs a poster-sized advertisement from a similar commercial firm. Bishara Qumsiya offers his guests tea--from Israeli bags. His eyes remain frozen in their sockets even when he raises his voice to show his anger. No, he was not shocked by the threats from Jordan's prime minister against the village leagues. These threats are a basis for further development and progress, nothing more. The leagues express the will of the people, more so than the politicians who claim to speak in their name. The prime minister of Jordan is a Nazi! A Nazi! If he continues the way he has, the bridges to Jordan will have to be closed. Have things gone that far?--Yes. Is he afraid?--Not in the least. The village leagues are stronger than ever. He says that thousands of men are armed. How many are on salary? He doesn't remember the figure. Only PLO and Jordanian agents threaten the league members, but they know how to protect themselves. They have the means to do so.

Upon leaving the room I catch sight of an old doorman sitting at a small table, surrounded by young, armed men. Right before our eyes, the old man jumps to attention and shouts: "At your command, sir. May the name of the Jordanian Sovereign be blotted out forever! Curse the name of King Husayn!" A pistol and a large saber shine in his belt. Some of those present join in his cry. The old man remains at attention, with the pistol and the saber. For a brief moment, the strange scene brings back images from Lebanon, from the war of 1908 or the events of 1936-1939 in Israel--until we stop to realize the difference.

Are armed Arab militias being organized on the West Bank with the IDF's permission and financial support? The word "militia" is probably exaggerated, but the popular phrase "security forces" is no more accurate, expecially in these times when confrontations on the West Bank are becoming increasingly bitter, not only with the PLO but with Jordan as well. The truth is apparently somewhere in between. To offset the PLO and the Jordanians who to date have claimed to protect the interests of the Palestinian residents in the occupied territories, the IDF has tried, over the last few months, to develop a third force, in the form of the village leagues. The "security forces or "militias" are an integral part of this third force. Their real size is unknown. The leaders of the village leagues talk about thousands, but reports indicate that only a few hundred youths have gone through training programs at IDF bases. Perhaps here, too, the truth lies somewhere in between? Just as the leagues are not merely a means of collecting public funds for projects that Israel values, but a tool for political manipulation with the help of the licensing and administrative authority granted to them, so too, the many armed youths at the gates of league leaders are not merely body guards as they claim. There is information indicating that the armed youths are probably used--according to the government--for routine police operations or political browbeating. Travelers passing through Ramallah at night this last month have reported that they were stopped and questioned by armed pistols from the local village league. Others report on mixed patrols--IDF soldiers or border

guard, and watchmen from the village leagues. On another occasion, an armed patrol from the league broke into the home of a known PLO supporter, beat him, contiscated books and papers and took him with them to the police station. If these reports are true, Israel will not be the first conqueror in history to attempt to rule and command by means of native militias. The big question is not just a moral one. It is political and practical as well. Will Bishara Qumsiya and Mustafa Dudin, with Israeli money and their small private armies of body guards or militial men, win the acceptance of the people on the West Bank, or at least their respect? Do they really represent a "silent majority" which has come to terms with Israeli occupation, as opposed to the "radical minority" of PLO supporters? Can "conservative" villages really be pitted against "radical" towns, this at a time when land expropriations are hurting the original settlers? Is the PLO really so unpopular in the territories? Does a man like Dudin or Qumsiya really have a chance to be more popular? Is it worthwhile for the government to seek a dialogue with these men as opposed to the moderate leaders from towns who until recently reserved their judgement on the PLO?

If the government can answer all these questions affirmatively—as it appears they have—then this symbolizes a radical change in zionist thought as we've known it to date. Ben Gurion and Jabotinski alike did not believe in settlements with Arabs like Dudin and Qumsiya. Ben Gurion often repeated his belief that an understanding with Arab leaders was worthwhile only given three conditions: a) that the Arab leaders did not sell out—"Discussions are valuable only with faithful representatives of the Arab movement." b) that we speak truthfully and not hide our intent or conceal our desires and c) that there be full bilateral recognition of the goals each side seeks to fulfill. Jabotinski, too, was always contemptuous of attempts by Zionists to reach agreements with what he called "watermelon vendors," which led nowhere. This warning came to mind when I left the village league offices in Bethlehem, my ears still ringing with the words of the old doorman.

9811

CSO: 4423/135

JORDAN SEEN AS PRINCIPAL THREAT

Tel Aviv DAVAR in Hebrew 19 Mar 82 p 15

[Article by Hagai Eshed: "Jordan, Israel's No. 1 Enemy"]

[Text] Jordan, willingly or unwillingly, is becoming one of the most dangerous focal points of hostility toward Israel. As far as the efficacy of this hostility Jordan might become Israel's number one enemy. Jordan has entered the arms race at an advanced level and in a few years will pose the biggest military threat to Israel's skies and air fields, both military and civilian. The government of Jordan is one of the main leverage points for American pressure on Israel. Further, Jordan works closely with the PLO to undermine Israel from positions in Judea and Samaria and to create a situation of constant unrest. This is a dangerous combination, militarily and politically, but also from the stand point of defense and the threat of war against Israel. It is now almost clear that there will be no choice but to include Jordan in any future war—however limited. If shots are fired in Lebanon, it will spread to Jordan. The Jordanian government willingly or unwillingly, is coming closer than ever to the starting line of any war involving Israel in the future.

Both America and Israel are to blame for creating this situation, because Jordan has not been geven enough leeway in negotiations toward any form of reconciliation. Part of the blame lies with President al-Sadat, who put off King Husayn at the time, and didn't allow him to participate in the Camp David negotiations for peace. The PLO, too, is surely to blame, and all the Arab countries which support the PLO, not Jordan, as the sole representative of the Palestinian people. There are many to blame, but this does not change the results or the situation that is forming before our eyes. The Jordanian threat to impose the death penalty on members of the village leagues was a serious, radical move which can be seen as another step toward escalating the war. There will be no choice but to respond to this threat, sooner or later.

The main element of danger on Israel's eastern front is created by the Americans and the arms race which is largely an American initiative. It is as if the Americans are telling the Israeli government that since Israel is not giving the United States bargaining power in the form of willingness to compromise, the Americans have nothing to give the Arabs but shipments of

Weapons. What can the Americans sell other than weapons? Credibility? A pleat, consistent policy? They have nothing left to give Jordan but guided anti-aircraft missiles to add to their collection of Soviet anti-submarine missiles and F-16's. This will force Israel to strike the first blow in any future war. Also, the arms shipments will force Israel to maintain forces in Judea and Samaria. Thus the Americans are creating a vicious circle leading to a political and military impasse which they are the most interested in preventing.

Since Israel is still trying to prevent the reinforcement of Jordan's air force, she is caught in an intensifying conflict with the American government, especially the military establishment, the most hostile force in the United States toward Israel. As we've read the press, there are rampant thoughts within that establishment of cooperating with the Soviets against Israel. It has gone that far. This comes in conjunction with the Saudi claim that Israel, not the Soviets, is the biggest threat in the Middle East. The principal danger is "Israeli aggression" not "Soviet expansion and subversion." It is not surprising that the Jordanians are riding both band wagons—the American and the Soviet. They have permission from the Pentagon.

It is also not surprising that the government of Jordan is now organizing a campaign with the PLO to undermine any possibility of a quiet transition in Judea and Samaria. The PLO is using its supporters and agents in the towns and the Jordanian government is using its influence among supporters in villages. This is a coordinated policy aimed at escalation and intensification. It is possible that this policy is not initiated from outside but comes as a response to Israel's new policy of setting up civilian leadership at a governmental-administrative level and a network of village leagues to promote moderate leadership within the village population. Even the PLO and Jordanian sponsored leaders perceive the threat to their positions presented by the establishment of a "third" administration, in addition to the Muslim opposition which represents another independent division of local leadership. It appears that the Israel effort to establish civilian leadership and set up village leagues is more successful than those who oppose this policy would like to admit.

The Israeli policy is being attacked because it constitutes an attempt to create a long term interim situation in Judea and Samaria without offering Jordan a role of any kind. Jordan fears that the carpet is being pulled out from under its feet. The PLO feels the same way. Neither can accept a new framework with the potential to last a relatively long time without them. Both Jordan and the PLO fear that the Egyptian government will be satisfied in the foreseeable future with the achievements gained at Camp David and a return to its previous position in the Arab world, without sacrificing the framework of the Camp David accords. The danger—Egypt and Israel will be partners in the creation of a new state of affairs excluding the PLO and Jordan—has apparently caused these latter to make a joint effort toward exploding the situation. There are numerous indications that Soviet rule over the PLO is stronger now than in the past. The cooperation between Jordan and the PLO is undoubtedly with the Soviet's blessing. The possibility of American—Soviet cooperation against Israel (which Pentagon officials are

toying with) exists not only for Lebanon, but Jordan as well (and the territories of Judea and Samaria). Jordan is much more likely than the PLO to encourage American-Soviet cooperation. In this way, Jordan would unite all the potential dangers against Israel in an effort to undermine the relative peace of the transition period in the territories and create a serious threat to the basic security of the area by entering the arms race in the air and on land. Jordan will also try to intensify the friction between Israel and the United States and create a levey to apply pressure on Israel. We are used to the threat from the north. Now there is a threat to the east and it is growing.

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CSO: 4423/135

HUSAYN'S ACTIONS SAID ENCOURAGING SUPPORT FOR LEAGUES

Tel Aviv HATZOFE in Hebrew 19 Mar 82 p 7

[Article by Yehuda Azri'eli: "Jordan is Serving the PLO"]

[Text] Husayn was snagged. The threats made by the Amman government on members of the village leagues in Judea and Samaria, including the imposition of the death penalty on anyone cooperating with the Israeli government, did not produce the desired results. To the contrary, the definitive statement by league leaders, who met this week in Bethlehem and accused Jordan of touching off terrorism, revealed Husayn as a man surrendering to the pressure of PLO threats. His attempt to activate a military decree against those working with the village leagues led by Mustafa Dudin, which served a purpose in the Jordanian government, was worthless. His feeble threats were ignored by principal figures among the villagers.

According to certain sources in the Israeli government, most of the villagers in the "territories" rejected Jos an's position, perceiving Jordan as one who actually supports the terrorist interests of 'Arafat and his flock. The few mukhtars who announed their resignations this week represent only two insignificant clans in the villages of Judea and Samaria. Their action is not indicative of the real, strong feelings which prevail against Jordan's stand.

As if to support this position, the Jordanian media joined in the kind of rousing moralistic broadcasts used by the PLO, opening with a battle cry for the extermination of Zionism as a threat to the Palestinians. This voice was joined by friends, the ousted mayors of Halhul and Hebron, Milham and Kawasma, who called for the extermination of...the village leagues. And the Government of Jordan is confused.

Amman is disappointed. So Prime Minister Mudar Badran gets up at the national council and talks about how Jordan has, since the Six-Day War, been dilligently protecting its fraternal relations with family members on the West Bank, against the Zionist enemy"...

From a certain point of view, Amman's statements are only furthering the recognition of the village leagues both in the "territories" and across the border.

Israel's Policy Meets with Success

The radical warnings against leaders of the leagues prove that these extremists are worried about the leagues' influence and concerned that the Israeli policy in Judea and Samaria, the "stick and carrot" method, has been effective and successful.

Actually, Jordan's new decision has no real value. In the past, Jordan has called for the imposition of the death penalty on all Arabs in the "territories" selling land to Jews. The decree was issued as a military order to show just who the "military commander" on the West Bank really is, and that respect should be shown to Amman, not Jerusalem. In the "territories," the Arabs continue to sell their land to Jews. By the same token, the leaders of the village leagues will probably continue to gain strength and influence over the Arab population with the help and close cooperation of the Israeli government.

To show his strong, negative reaction to the Jordanian order, Mustafa Dudin visited Prime Minister Menachem Begin's office. They expressed their mutual appreciation of the growing cooperation between them. The villages have now succeeded to gain recognition, as a product of their achievements in the area of village development--precisely where King Husayn was most powerful--while the PLO struck its roots among the mayors of larger towns.

The village population in Judea and Samaria constitutes around 70 percent of the Arab population in the "territories." It was among that majority, silent and neglected, that Israel chose to implement a new policy following the last elections. After a year of building a new structure of advantageous relations between the Israeli civil government and the villagers, who lived like vassals along side the leaders of the big towns, the light at the end of the tunnel of darkness hanging over the relations between the military regime and the Arabs in the "territories" is finally in sight.

Israel's Unavoidable Reaction

The Israeli government's unavoidable reaction to the radical Jordanian measure was an immediate ban on the "National Guidance Committee," a political organization—an "Arab cabinet"—which stood openly behind protest actions and violent anti-Israeli activities, poisoning wells and instigations on university campuses. They were led by the ousted mayors of Hebron and Halhul, and their followers, Karim Khalaf, mayor of Ramallah and Bassam al-Shak'ah, mayor of Nablus, as well as Ibrahim Tawil, mayor of the rebellious town of al-Birah, which now refuses to cooperate with civilian administration simply because it is civilian and not military. Add to this list Akram (Hanu'ah) from Ramallah, the editor of AL-SHA'B and Wahid al-Hamdallah, Mayor of 'Anabta, and many other whose voices are only heard in whispers from "behind the walls." Their subversive provocations continue. They are faithful pawns of the PLO. They act in secrecy, in hiding, "behind the scenes." They are afraid. But they are not afraid to send children to throw rocks or slash tires, and run away.

Now fordan comes into the picture, giving political and moral support to the conflagrations and subversive terrorist acts perpetrated in the name of the PLO and with its backing.

Undoubtedly, the Jordanian decree was a result of political pressure brought to bear by the joint Jordanian/PLO committee. The goal was to undermine the path that had been paved toward implementing autonomy in the "territories." The establishment of the village leagues in other areas--Bethlehem, Janin and Tulkarm--could potentially increase the possibility of advancing negotiations on the second part of the peace agreement. Dudin even declared this publicly when he called for co-existence and friendly relations between Jews and Arabs. After so many years of antagonism and war, overflowing with hatred and blood, refugees, uprooted peoples, scarifices and fierce battles, the time has come to establish new relations. The Arab villages -- so they say -- believe that, too. They believe that the PLO is a common enemy, to them and to Israel. While these villages are busy with development--paving roads, building new schools and medical centers, stretching electrical lines and constructing water works to serve the people--the towns of Nablus, Ramallah, al-Birah, (Dukhaysi) and other refugee camps and urban centers have turned into symbols of unrest and terrorism, wreaking destruction and havoc on the kind of life that could develop between neighbors, given a compelling reality.

The cooperating villages have become constructive models while the town leaders are dealing in politics for its own sake and are bringing ruin on themselves.

King Husayn's sharp reaction, which placed him to the right of the PLO's destructive provocations, shows that the Israeli government's attempt to encourage Arabs in the territories to build their lives based on positive relations between neighbors, in the framework of mutual understanding, hit home and should be continued. In this way, the autonomy will be founded on sweat and blood, and will receive de facto recognition from the people who are living it.

This is truly the way to advance the peace process and present the facts not only to the Egyptians and Americans who signed the Camp David accords, but to Jordan and the entire Arab world. Husayn's declaration can be interpreted as supporting the Palestinians, whose respect he seeks and whom he also wants to represent. May he enjoy it! Israel is certainly ready to recognize the Palestinians in Jordan, as a guarantee for peace, is a pipe dream, a castle in the sky, promised in certain Israeli political circles—and no Arab believes it.

No Need to Pity Husayn

It would somehow be better if these politicians would let go of this futile plan which has no chance of being accepted by either side. After visiting the Prime Minister, the head of the Arab league in Mount Hebron, Mustafa Dudin, asked the Israeli media to stop mistreating him, in his words, to the same extent that the Arab is doing, calling him a "quisling" and a "traitor."

The Government of Jordan is now serving PLO interests in the "territories" and cooperating with Arab terrorists. That is the only way to interpret the position taken by the Hashemite sovereign. But let's not pity Husayn, as long as he adopts this kind of dangerous policy which serves his needs in the Arab world, in relation to his conflict with Syria with whom he is competing for PLO friendship.

Whether for internal political reasons or for strictly valid reasons related to "freedom of speech" in the press, it is better to weigh this delicate situation and give preference to national interests so as not to perform a disservice to the possibility of peace. It is absurd that precisely those groups who raise the banners of "peace now" or tommorrow, and members of the "peace camp" along with some moderate groups, will be the main elements upsetting the peace process in the "territories"—only because the murderous PLO and the leftist—nationalist Arab camp are not included in the discussions.

9811

CSO: 4423/135

BRIEFS

DEFENSE CUTBACKS—Within a year and a half, by the end of 1983, the defense system will have to fire about 7,000 regular army people and civilians and remove about 2,500 vehicles from operation. An order to this effect has been issued by Defense Minister Ariel Sharon. The order for firings and vehicle cutbacks is within the framework of the minister's programs for savings and reorganization within the defense system. According to the plan, the defense system will have to reduce the number of workers both in the IDF and in the civilian branch by about 10,000 people. The minister has determined that the majority of the firings will have to be implemented by the end of 1983, while the rest can be discharged within the following 3 years. It is estimated that a part of this number will complete their jobs, either because of termination of contract or because of retirement. The rest will have to be fired. Similarly, the minister has instructed the retirement from operation by the end of 1983 of 2,400-2,500 vehicles within the framework of the cuts that he is planning. [Text] [Tel Aviv HA'ARETZ in Hebrew 19 Mar 82 p 1] 9794

CSO: 4423/134

BRIEFS

LOAN FOR ALUMINUM PLANT--Jordan is to receive a loan of SF 20 million (about \$10.25 million) from the International Finance Corporation (IFC), a World Bank affiliate, for the construction of an aluminium fluoride plant. The plant is being built at Aqaba on Jordan's Red Sea coast at a total cost of \$39.4 million. The project involves using fluosilic acid from a fertiliser plant to make aluminium fluoride, needed in the manufacture of aluminium. The acid is a toxic waste that would otherwise have to be subjected to a costly neutralisation process. The plant will have a capacity of 20,000 tons of aluminium fluoride a year. This could earn Jordan some \$8 million a year in exports mainly to other Middle Eastern countries and Australia. The interest rate for the loan, the first in Swiss Francs to be extended by the IFC, is still under negotiation, but IFC is reported to have said that it would be in the order of 8.5 to 9 per cent. Union Bank of Switzerland and Jordanian sources are expected to provide additional financing. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 16, 19 Apr 82 p 6]

CSO: 4400/236

OPERATIONS OF SOUK AL-MANAKH DETAILED

Paris AN-NAHAR ARAB REPORT & MEMO in English No 14, 5 Apr 82 pp 1-2

[Article by Marwan Iskandar]

[Text]

Kuwait's Souk al-Manakh (where in old times traders used to rest their camels) is situated on the ground floor and mezzanine of the Kuwait Investment Company building some 100 metres from the Kuwait Stock Exchange. At 8 pm, when trading in stocks of Kuwaiti-registered companies ceases on the official exchange, one witnesses a human flow to the Souk al-Manakh, where shares in Gulf companies and Kuwaiti companies that are still being set up are traded at dizzying speed.

The Souk al-Manakh is the nearest thing to an over-the-counter market for stocks. Brokerage shops there command key money ranging from KD 1.5 million (\$5.25 million) to KD 4 million (\$14 million) for floor space and a trading licence, with the price depending on how close to the action the shop is. One broker has even floated a company in which the assets are his licence and approximately 60 square metres of space for conducting business. The shares of this venture were sold for KD 20 million or more than \$70 million, a figure which would be considered a respectable one as the capital for a medium-sized European or American bank.

Figures like these, together with what are undeniably huge profits that have been made by trading on the Souk al-Manakh, have prompted a number of commentaries. These have mostly been critical of the market and predicted doom. They have also displayed colossal ignorance. Western commentators have indulged in the luxury of extrapolating figures without troubling to research the background of the market, a fact which is both astounding and does not reflect well on the quality of financial and economic reporting in a number of leading publications. To get the true picture, a serious reporter or analyst needs to sit down and talk with leading Kuwaiti officials and entrepreneurs. Much would then be revealed which these critical commentators have missed.

Kuwait has a number of distinctive characteristics which facilitate the task of the serious observer. First, the country has a large number of well-educated and sophisticated young people who have gained significant experience in the financially turbulent decade of the 1970s. These entrepreneura government officials and business leaders are readily accessible to foreigners. Second, the Kuwaiti government has had direct experience of local and international investing stretching over more than 20 years and the Cabinet includes a Minister of Finance with an international reputation for constructive action. Third, Kuwait is essentially a wealthy city state with 1.5 million inhabitants and the underlying basis of its business community is trust and the fulfillment of commitments. Delinquents are shunned both socially and in business. Fourth, the Kuwaiti government's long experience in investments both at home and abroad means that it maintains accurate statistical indicators concerning financial movements and other transactions and is therefore well placed to move in with corrective measures if and when these are required.

The fifth distinctive feature of Kuwait is perhaps the most important in its relevance to what is taking place there. It is that Kuwaitis choose to return home to their own country regardless of where they receive their higher education. Being rich and sophisticated, they aspire to play a leading role in business in the Gulf and are urging the government to take steps towards this goal. In this respect, the government has been very supportive and it would not be an exaggeration if one predicted that Kuwait is the country best situated to contribute to the fast development of the Gulf Cooperation Council's

projected Common Market.

With this background in mind, discussions with concerned and vigilant members of the government such as HE Abdel Latif Youssuf al-Hamad, the Minister of Finance, Khaled Abu Saud, who can best be described as the doven of investing in Kuwait, and exchanges of views with dynamic businessmen in Kuwait like Ibrahim Dabdoub, General Manager of the Kuwait National Bank, and Fawzi Mussad al-Saleh, Chairman of ARIG and of the Sharjah Group of companies, reveal the following facts and opinions about the Souk al-Manakh:

Facts

Post-dated cheques which are exchanged in deals in the Souk al-Manakh have a total value of about KD 7 billion (\$24.5 billion) while overall operations in 1981 amounted to KD 3.7 billion (\$12.9 billion). By contrast, operations on the official exchange amounted to KD 1.97 billion (\$6.9 billion) in 1981, when the total value of listed shares was KD 7.4 billion (\$25.9 billion), up from KD 4.6 billion (\$16.1 billion) the previous year.

- All post-dated cheques used in transactions in the Souk al-Manakh were honoured in 1981. Delinquency concerning bank overdrafts, which is itself no cause for

alarm, was more significant than failures to meet obligations in the Souk al-Manakh.

 Clearing operations are now being encouraged and two specialised companies have begun operating as trustees for the execution of major deals in the Souk al-Manakh

Spot checks by a Ministerial Committee which was reviewing all exchange operations revealed that when cheques with a value of KD 1.4 billion (\$4.9 billion) were cleared and the sums balanced against each other, no more than KD 40 million (\$140 million) was outstanding. The prevailing opinion in Kuwait is that no more than 10 per cent of the total volume of cheques outstanding would prove to be net liabilities after all clearing operations had been completed.

- The volume of money in the local market reflects the return of private Kuwaiti funds to local and regional markets. Depressed equity and bond markets in major financial markets have contributed to this return of money, as has happened in other markets such as those of Singapore and Hong Kong.

Banks in Kuwait do not discount post-dated cheques without securing assets whose value equals twice the value of the cheques and these assets do not include the stocks for which the cheques were written. Consequently, if the market were to collapse for any external reason, banks in Kuwait are not going to suffer.

Opinions:

If there is a market crash for some unexpected reason such as a spreading of the Gulf war or political tensions, the full brunt of a total failure would involve about KD 600 million (\$2.1 billion) and this would be absorbed easily by a country with reserves which exceed \$75 billion or KD 20 billion.

Leading persons and organisations in the stock market are sophisticated individuals and solidly capitalised companies. More than one brokerage company is capitalised at KD 50 million (\$175 million) and their operating methods are efficient, using experienced staff and modern equipment.

 Economic expectations are still stong and constant government expenditures are anticipated despite reduced oil revenues. The private sector is also expected to perform strongly.

Successes achieved so far will attract nationals of other Gulf countries where the companies are established whose shares are traded in Kuwait's Souk al-Manakh. The probability that this will happen soon could send the market in Kuwait leaping much higher.

Unless unexpected political developments dictate otherwise, the future of the market for stocks in Kuwait seems based on stronger grounds than those which created market rallies in Western countries. The ramblings of commentators should not be seen as reflecting anything more than their ignorance of Kuwait and possibly their laziness.

BRIEFS

BRITISH STEEL WATER PIPES PURCHASED—Kuwait's Ministry for Electricity and Water has ordered 30,000 tonnes of steel water pipes from the state-owned British Steel Corporation, it was announced recently. The order for piping is worth \$21.6 million. The pipes are covered by a new alumino-bituminous insulating material which reflects the rays of the sun and thus keeps water inside cool. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 14, 5 Apr 82 pp 10-11]

TEACHERS' CONGRESS ISSUES RESOLUTIONS, RECOMMENDATIONS

Valetta THE JAMAHIRIYA MAIL in English 24 Apr 82 p 16

[Text]

The 4th General Teachers Congress has concluded its work held in the Municipality of Zawiyeh. The congress issued several resolutions and recommendations mainly:

- 1. The Congress stresses the heroic stands of the great Al Fateh revolution and historic leadership which challenges the U.S.A., leader of the world terrorism, imperialism and Arab reaction, the spoilt child of zionism and colonialism. We challenge the economic blockade imposed by the U.S.A. and the ruiling Saudi family. Our people who lived without oil for thousands of years without yielding, is quite capable to do the same now.
- 2. The Congress salutes the heroic and courageous stand of our Palestinian peoples inside the Occupied Land who are defending their territories and Arabism against the ferocity of the Israeli enemy.
- 3. The Congress confirms the inevitability of the Arab unity and 'considers the unionist meeting between the General People's Committee in the Jamahiriya and the Algerian Cabinet as first step on the course of the overall Arab unity to which we, as

teachers, are committed to achieve.

- 4. The Congress pledges the Jamahiriya teachers' support for all the honourable teachers struggling for freedom and to break the traditional tools of rule and eliminate exploitation inside and outside the Arab world.
- 5. The Congress finds it necessary to promptly implement the new educational infrastructure endorsed by our basic people's congresses and the teachers pledge full responsibility to carry out its programmes successfully and achieve its targets as well as employ the school in service of the new Jamahiri society.
- 6. The Congress stresses the role of the revolutionary teachers in building an ideological generation committed to the people's authority and in urging all the teachers to exercise the creative revolutionary work through their platforms.
- 7. The Congress is fully committed to advocate the thought of the great Al Fateh

revolution and its humane dicta inside and outside the Jamahiriya.

8. In order to speed up the establishment of the armed people, the Congress puts an emphasis on the need for continuous military training so as to absorb the military technology in preparation to defend our revolution, Arabism and freedom everywhere.

The Congress stressed the need to militarise teachers, hold sessions on ideology for all teachers, improve combat skills of teachers in all municipalities to counter imperialism and its agents and to advocate the humane dicta of the Green Book.

On the question of revising the philosophy of education, the Congress urged its speedy implementation, especially at post compulsory stages.

The Congress recommended care to be given to audiovisual aids at all levels and planning a widescale illiteracy programme in the Jamahiriya. Increased Koranic schools and school libraries in municipalities were recommended together with courses on recitation of the holy Koran.

UNIVERSITY PURGES RIGHT-WINGERS

Valetta THE JAMAHIRIYA MAIL in English 24 Apr 82 p 5

•THE Revolutionary Forces at Ghar Younis University and other colleges have marched on the university colleges in Al Baida and purged them from the remaining rotten right-wing elements who took the education and agriculture faculties as their platform.

The students and the revolutionary committee in joint efforts affirmed the capability of the revolutionary force to decisively shift the struggle in favour of the great Al Fateh revolution and the masses. The revolutionary forces affirmed the continuity of the revolutionary purge in all sites against the opportunist and the enemy of the masses.

The student masses roamed both faculties compounds in a huge demonstration at the end of which the students selected the secretariat and a people's committee of the students congress. At the college of agriculture they also selected the members of the people's committee from the teaching staff, while the students of the faculty of eduction held a meeting in which they decided to merge the faculty with the education faculty at Ghar Younis university as a revolutionary step on the course of rebuilding the educational structure in the universities.

The students are still carrying out their tasks in purging various faculties in implementation of the resolutions of the people's con-

gresses and through the incitation of the revolutionary forces.

The student revolutionary forces issued the following statement:-

'In the name of God and the Great Al Fateh from the day of its eruption in 1969 the great Al Fatch revolution has been a beacon to humanity illuminating the path of final salvation from all forms of tyranny and dictatorship. It has proclaimed total emancipation for the masses whereby they themselves were to hold authority, wealth and arms. It has not been lenient with its enemies, the enemies of freedom, popular authority, socialism and social injustice. This has been especially the case following the rise of the revolutionary forces, through the revolutionary committees' movement, which took it upon itself to protect the revolution, defend it and advocate

"The student revolt of April 7 uprooted reaction from within the universities which stood opposed to the revolution and the new revolutionary ideas of the third universal theory and resolved the conflict in favour of the revolution. This testifies that the revolution is capable of crushing its bourgeois, partisan, opportunist, bureaucratic and tribal enemies.

"The revolutionary force in the colleges of education and agriculture are implementing the revolutionary process, consolidate the authority of the people and the basis of the new socialism, and achieve social justice. It safeguards the revolution and its objectives by continuously embarking on revolutionary action and destroying anything obstructing the revolution. The revolutionary forces announce the following: first, the merger between the colleges of education and agriculture at Ghar Younis university in Benghazi. Second, purging the colleges of education and agriculture by dismissing all the reactionary remnants from the student body, academic staff and university employees and investigating the cases of some and giving final notice to others.

"Third, reselection of the

people's committees and secretariat in the student congress in the college of agriculture as well as proclaiming the people's revolution. Fourth, the cancellation of the general administration department in Al Beidha and referring the employees to the general service secretariat and production centres.

tion centres.

Al Fateh Forever.

The struggle continues."

CSO: 4500/162

BRIEFS

AGREEMENT WITH TUNISIA--A cooperation agreement has been concluded between the General Medical Congress and the Tunisian Pharmacists Council in various medical and pharmaceutical fields within the economic integration between both countries. It stipulates cooperation in the pharmaceutical industry and exchange of expertise in medical guidance as well as coordination in training and educational programmes of medical and pharmaceutical fields. The agreement also invites exchanged visits of the teaching staff and students of Al Fateh university in the Jamahiriya and Al-Monastere University in Tunisia. The agreement was signed by the General Secretary of the General Medical Congress of the Jamahiriya and Dr Aziza Al Wahshi, Chairman of the Tunisian Pharmacists Union currently visiting the Jamahiriya. [Text] [Valetta THE JAMAHIR-IYA MAIL in English 1 May 82 p 14]

AGREEMENT WITH HUNGARY--The Jamahiriya and Hungary have signed a housing agreement in Tripoli. The agreement was signed for the Jamahiriya by the General People's Committee for Housing and for Hungary by the Minister of Construction Dr Kalman Abraham. [Text] [Valetta THE JAMAHIRIYA MAIL in English 1 May 82 p 14]

LIBYANS IN NICARAGUA--The Nicaraguan masses have been celebrating the inauguration of a new Libyan quarter in Managua. Masses chanted slogans expressing pride in the revolutionary unity of the two peoples and in the stands of the Libyan Arab people in backing freedom-fighting people's especially the Nicaraguans. The Nicaraguan Minister of Housing, an official at the Ministry of Interior and an official of the information department spoke to re-affirm the unity of both peoples in confronting the fierce attack against the peoples fighting for freedom and progress. The Libyan Secretary of the People's Bureau also spoke to praise the friendly relations between Libyans and Nicaraguans and the militant role adopted by the people of Nicaragua to realise its freedom. He re-affirmed the Jamahiriya's commitment to support freedom fighting peoples throughout the world according to the declaration of the people's authority and the principles of the great al fateh revolution which heralds the final emancipation of humanity from all means of dominance, slavery and defeat. Present at the ceremony were the above mentioned officials and a large number of Nicaraguan people. [Text] [Valetta THE JAMAHIRIYA MAIL in English 24 Apr 82 p 3]

TUBRUQ OIL JETTY--A new oil jetty built by an international company for the Bregia Oil Marketing Company has been inaugurated in Tobruk. The jetty is 150 metres long and 11 metres deep and is designed to receive fully-laden 10,000 ton oil tankers and 15,000 ton partially laden tankers. The jetty is also equipped with an automatic fire fighting system and a radio communications system linking the operations room to tankers. The jetty is further equipped with an auxillary pumping station and safety and signalling systems to guide tankers in berthing operations. [Text] [Valetta THE JAMAHIRIYA MAIL in English 1 May 82 p 6]

AGRICULTURAL LOANS--Agricultural loans given to farmers in the Al Khams region by the Agricultural Bank numbered 90, with an overall value of 311,349 Libyan dinars. Bank sources at Al Khams said the Agricultural Bank last year gave out 60 loans worth 266,385 Libyan dinars. [Text] [Valetta THE JAMAHIRIYA MAIL in English 1 May 82 p 6]

JALLUD ADDRESSES TEACHERS--Staff Major Abdussalam Ahmad Jalloud has stressed that the teacher shoulders the responsibility of creating revolutionary generations committed to the authority. He stressed the dictum "studying is not an end in itself". He added, addressing the Jamahiriya Teachers' General Congress that the shortest route to revolutionising society is to pring about a revolutionary programme and teacher so as to destroy the old society's culture and reactionary ideas which entrenched exploitation and oppression." He stressed the teacher's role, in the masses society, in realising victory for the new revolutionary values, defeating the old repressive values and entrenching the masses era and people's authority. "Final victory for the revolution would be accomplished by liquidating the old society's cultural debris and replacing them with revolutionary, agitational culture." "The teacher is a fighting force to destroy ignorance, regionalism, shallowness and naivety, and is a propagator of the masses era, culture and eternal humanitarian dicta heralded by the Green Book." The teacher's profession is the most serious of all, because it is responsible for society's progress and development, he affirmed. "There will be a reorganisation of the schools' revolutionary force so as to prepare a revolutionary generation adherant to its revolution and Arabism the great Al Fateh revolution depends on the new generation and regards it as its strategic reserve." [Text] [Valetta THE JAMAHIRIYA MAIL in English 24 Apr 82 p 16]

HONECKER LETTER—The revolution's leader has received a letter from Mr Erich Honecker, Chairman of Council of State of German Democratic Republic, in which he acclaimed the Al Fateh Revolution's brave stands in confronting all imperialist and reactionary schemes and plots. Mr Honecker stressed the policy of undeterred arms race followed by the American administration and NATO, and their attempts to impose their unjust conditions from a position of strength on the socialist and nonaligned countries is posing against world dangers unparalleled since world war II". "The American administration's provocative and aggressive policy in the Mediterranean and Middle East is a serious threat to world peace and is aimed at exploiting and controling the independent countries' natural resources." He stressed his country's stand towards peace and security in the Middle East which are conditional upon the zionist enemy's total withdrawal from all occupied Axab lands and realisation of the Palestinian people's inalienable rights, including its right to return to its homeland,

self determination and establishment of an independent Palestinian state on its land. "To guarantee peace and security the Mediterranean where the three continents of Africa, Europe and Asia meet, acquires special importance, and there is a close relation between security in the European continent and the Mediterranean region. Therefore, I agree with you about the enormous dangers stemming from American military presence and provocative manoeuvres in the region." [Text] [Valetta THE JAMAHIRIYA MAIL in English 1 May 82 p 16]

PERUVIAN VISITORS—A delegation of farmers from Peru currently visiting the Jamahiriya yesterday made a fact-finding tour to the fodder factory at Al-Abyar and to Al Jabal Al Akhdar Agricultural Project. The delegation was briefed on the various sections of the factory and the stages of processing this products. The Peruvian delegation also toured in the Al Fateh agricultural project and the cattle centre and they were impressed by the agricultural revival achieved by the great Al Fateh Revolution for the prosperity of the Libyan people. [Text] [Valetta THE JAMAHIRIYA MAIL in English 24 Apr 82 p 15]

CSO: 4500/162

BRIEFS

GULF INVESTMENT COMPANY PROFITS -- The Gulf Investment Company (GIC) has disclosed a net profit of \$50 million for 1981, a 14 per cent improvement on the company's first year of operation, October 1979-December 1980, the OPEC news agency reported last week. GIC shareholders will receive their first cash dividend, calculated at 10 per cent of nominal share value, plus 30 per cent in the form of bonus shares. A three-for-10 rights issue will have the effect of raising paid-up capital to \$250 million. The company has also decided to split its \$1 shares into four in order to reduce their price on the Kuwait Stock Market where they have been trading recently at KD 2.9 (\$10.15), OPECNA reported. GIC's founder shareholders include about 2,000 Kuwaiti investors, who together hold 70 percent of the original \$100 million of private capital. According to OPECNA, the company's 1981 profit derived mostly from stocks and real estate. A major investment during the year was the purchase of a 50 per cent stake in the 45-storey Park Avenue Plaza in New York at a cost of over \$65 million in a deal funded mainly by a commercial loan. In 1979, GIC acquired a 30 per cent interest in the Rhone Poulenc complex on the Champs Elysees in Paris. It has made money on land deals in Lebanon, which is not generally regarded as prime investment territory but has enjoyed a real estate boom in the last few years. It has also formed a joint venture company with Hilton International to develop the leisure facilities of a 1,500-room hotel in Los Angeles. Other investments include a 10 per cent share in the United Gulf Bank and the Bahrain Light Industries Company. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 14, 5 Apr 82 p 10]

GIB EARNINGS RISE--Gulf International Bank (GIB) has announced that its profits rose 179 per cent in 1981 from \$12.4 million to \$34.6 million, representing a return on average assets of a little over 1 per cent and a return of 20 per cent on shareholders' equity. GIB's total assets (excluding contra accounts) increased 55 per cent from \$2.9 billion to \$4.5 billion, while lending jumped from \$1.1 billion to \$2.3 billion. According to GIB's General Manater, Dr Khalil al-Fayez, 40 per cent of loans went to Western Europe, 30 per cent to the Middle East, 17 to 18 per cent to Latin America and 10 per cent to Asia. Last year, GIB played a management role in 85 syndicated loans, worth a total of \$16 billion. It made a further \$500 [as published] worth of direct loans which were not publicised. Deposits were up from \$2.6 billion to \$4 billion, while marketable securities went up to \$216 million from \$148 million. In January this year, GIB increased its paid-up capital to \$265 by calling in the last \$85 million of authorised capital. GIB, which has recorded impressive growth in its five years of operation, is owned jointly by the governments of Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the UAE. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 14, 5 Apr 82 p 11] CSO: 4400/236

OFFICIALS MEET ISLAMIC TREASURY CHAIRMAN

GF190644 Doha Domestic Service in Arabic 1530 GMT 18 Apr 82

[Text] Shaykh Khalifah ibn Hamad Al Thani, the amir of Qatar, received at al-Dawhah Palace today His Royal Highness Prince Muhammad al-Faysal, chairman of the superintendent's board of the Islamic Treasury, and the delegation accompanying him. Shaykh Nasir ibn Khalid Al Thani, minister of commerce and economy, attended the meeting. Everyone was received kindly and hospitably by the dearly beloved amir.

Meanwhile, Shaykh Hamad ibn Khalifah Al Thani, the heir apparent and minister of defense, received at al-Dawhah Palace today His Royal Highness Prince Muhammad al-Faysal and the delegation accompanying him. Nasir ibn Khalid Al Thani, minister of commerce and economy, and 'Abdallah ibn Khalifah al-'Atiyyah, director of heir apparent's office, attended the meeting. QNA has learned that during the meeting financial activities and the general role of Islamic banks in the international banking system were reviewed.

In addition, Shaykh 'Abd al-'Aziz ibn Khalifah Al Thani, minister of finance and oil, met at the ministry today with His Royal Highness Prince Muhammad al-Faysal and the delegation accompanying him. Muhammad al-Faysal stated that during this meeting views were exchanged on the establishment of Islamic banks. In a statement to QNA, he expressed the hope that Oatar will play a role in that.

Furthermore, Shaykh Nasir ibn Khalid Al Thani, minister of commerce and economy, met in his office today with Muhammad al-Faysal. The meeting was attended by Isma'il Sidqi, the acting director general of the Ministry of Commerce and Economy, who, following the meeting, stated that they discussed the possibility of Qatar and the Federation of the Islamic Banks establishing joint Islamic companies to work in investment and for Islamic solidarity. These companies will have no-usury systems.

Prince Muhammad al-Faysal left Doha tonight. He was seen off at the airport by Shaykh Nasir ibn Khalid Al Thani, the Saudi ambassador to Qatar and Ibrahim al-Fadalah, acting director of protocol of the Foreign Ministry.

BRIEFS

INDIAN AGREEMENT RATIFIED—His Highness Shaykh Khalifah ibn Hamad Al Thani, the amir of Oatar, has ratified the cultural and technical cooperation agreement signed with India in June 1980. [Text] [GF041231 Doha QNA in Arabic 1135 GMT 4 Apr 82]

AL-SADAT KILLERS PRAISED--Manama, 17 Apr (WAKH)--In its editorial, the Qatari newspaper AL-'ARAB discusses the execution of those convicted for killing the late Egyptian president, Anwar al-Sadat. AL-'ARAB says: "If the Arab and Muslim struggle has been strengthened thanks to the people's steadfastness and thanks to the thousands of martyrs who have fallen in defense of the al-Aqsa Mosque and fought for its liberation and for Arab and Muslim causes, then al-Islambuli and his companions are great martyrs who have laid down their lives for their country, for Palestine and for peace. They are truly martyrs on the road to the liberation of al-Aqsa." AL-'ARAB adds: "These five martyrs are among the best sons of Egypt who have always been in the vanguard of the Arab struggle. They are among the best sons of the Arab and Muslim nation. Al-Islambuli and his companions have fought for this nation and fought so that Egypt remains Arab and in the heart of the Arab and Muslim struggle." [Excerpt] [GF170846 Manama WAKH in Arabic 0727 GMT 17 Apr 82]

FUTURE IMPACT OF REDUCED OIL PRODUCTION EXAMINED

Jiddah 'UKAZ in Arabic 8 Mar 82 p 9

[Interview with Fahd al-Khayyal, Wahib ibn Zaqar and Dr Talal al-Jahni by Avman Habib: "Kingdom's Reduction of Oil Production; Fahd al-Khayyal: Total Abandonment of Oil at Present Is Out of Question; Prices Are Supposed To Be Stable; Wahib ibn Zaqar: It Is Natural for Kingdom To Adopt Position To Guard Against Price Collapse; I Am Confident That All Attempts at Manipulation Will Fail; Dr al-Jahni: Kingdom's Oil Reserves Are Enough To Last 100 Years; Reducing Production to 6 Million Barrels Will Not Affect Our Development Programs"]

[Text] The kingdom's decision to reduce its oil production by 1 million barrels a day had had worldwide reverberations even though all of the world's oil market conditions have been ripe for such a decision, which has been issued out of concern for international economic interests and despite the loss of the revenues for 1 million barrels daily for a period of 1 full month. In light of this new development in the kingdom's oil position—a development that reaffirms the kingdom's concern for the international economy's stability—many questions have been raised. 'UKAZ has dealt with these questions in its interview with a number of personalities that have lived with and have been observing international economic developments inside and outside the kingdom to get their views on the ramifications and dimensions of this step at the internal and external levels.

Positive Effects

[Question] What are the positive effects of the kingdom's reduction in its oil production on the world market?

[Fahd al-Khayyal] The most outstanding effect of the adoption of this step will be a curtailment in the deterioration of oil prices. The step will help positively to reduce price deterioration. One of the most important reasons leading to the adoption of this step has been the presence of an oil surplus in the world markets, a glut that has led to this situation.

[Question] Shaykh Fahd, there is no doubt that there are reasons that have let to the emergence of this situation in the world's oil market. Can you please explain these reasons to us?

[Al-Khayval] The main reason is embodied in the steep rise in oil prices at one time. Regrettably, some OPEC members raised their prices sharply, thus compelling the United States and the European countries to stop relying on oil compeltely and to look for other energy sources. Very regrettably, even though the kingdom had warned frequently of the consequences of raising oil prices, nobody heeded its warning and this is the result. Numerous international organizations and establishments have channeled their investments to develop other energy sources, such as coal. They have spent vast sums of money to mine coal, even though coal has not had a largely effective role so far. However, the present situation is one of the most obvious results. Should coal production continue to expand, it is not unlikely that oil prices will continue to drop.

Out of Question

[Question] Can this situation lead to a total abandonment of oil as a result of the concerted efforts in search of alternative energy sources?

[Al-Khayyal] Total abandonment of the use and consumption of oil is altogether out of the question. The need for oil will continue. On the other hand, we should not force the world to look for other energy sources by raising oil prices exorbitantly. In fact, there is no alternative to looking for alternative energy sources because the fate of oil is well known. Oil will dry up one day but what is of concern to us is to exploit the amounts of oil produced at present to develop our country extensively.

Drop in Revenues

[Question] Shaykh Fahd, there is no doubt that this step will produce some negative results for the kingdom. Can you explain them to us?

[Al-Khayyal] If we consider the first result directly, we find that the kingdom will miss the revenues from 1 million barrels [daily]. But this cannot be considered a loss because the kingdom will preserve this quantity instead of exporting it.

[Question] To what degree is the step compatible with the view that holds that it is better to reduce oil production to insure that it lasts for the longest period possible?

[Al-Khayyal] This view is linked mainly to the time we need to develop ourselves. But, in general, if an alternative to oil is found, the possibility of using this alternative and concentrating on it is weak.

[Question] Does this mean that the need for oil will continue, especially in industry?

[AL-Khayyal] Oil will continue to be a main source of consumption. As long as oil is available, it will continue to be a main source for the petrochemical industries.

[Duestion] From the profit and loss balance, can it be assumed that the oil-producing countries will incur certain losses in the short or long run?

[Al-Khayyal] If we assume that prices will drop further, then it can be said that we will incur a loss.

[[uestion] Is it likely that our oil production will be reduced further?

[Al-Khavyal] Reduced production is possible, unless a change occurs in the oil market and in the demand for oil.

OPEC Strategy

[Question] What effects will this step on which the kingdom has embarked have on the formulation of a long-range strategy within OPEC?

[Answer] This drop in world demand is not supposed to have happened. But the problem that the kingdom encountered in the past was the problem of some countries raising their oil prices. The kingdom did confront this problem. But the situation has now changed and the kingdom now stands opposite the countries that sell their oil at prices below the price agreed on within OPEC. Prices are supposed to be stable because the world economy is based on a degree of stability. This stability is fundamental for determining economic policies and for averting damage. As we have all noticed, the first reaction to these actions [raising prices] has been the curtailment of consumption.

[Question] What are the most prominent alternatives that have led to reduced reliance on oil as a main source of energy?

[Al-Khayval] When the world was faced with increased prices, it began to look for alternative energy sources to use for its needs. For example, Britain turned toward the North Sea, as did a number of other European countries. Moreover, coal production has been increased and some countries are trying to use coal as an alternative to oil. These two factors, in addition to a number of others, have led to a recession in the world's oil market. Another most important factor is that numerous factories have reduced their oil production and no longer consume as much oil as in the past. The problem at present is embodied specifically in increased energy alternatives on the one hand and reduced oil consumption on the other.

Kingdom's Foresight

[Question] There are those who believe that a further drop in current production levels will achieve a balance in the market. What is your concept of future oil markets in light of the current production level and the possibility of further reductions in the future?

[Al-Khayyal] When encountering a dilemma or a mistake, the OPEC countries have become used to turning to the kingdom for help. But they do not heed the kingdom's advice. However, I believe that this step will help the radical OPEC countries to become aware of the dangers of their actions and will em-

physize the importance of the kingdom's warnings and foresight. They should take the kindgom's international weight into account.

[Ouestion] Do you expect a drop in oil prices and in oil production levels as well?

[Al-Khayyal] It is difficult to speculate on this at present. Moreover, what determines the production rates is the world market's demand. Any reduction that occurs will be the result of the conditions of the world oil market.

Wahib ibn Zaqar

Wahib ibn Zaqar has also talked to 'UKAZ about the positive results created in the world oil market through the kingdom's reduction in its production, saying:

Insofar as oil prices are concerned, the kingdom has adopted a specific viewpoint. The gist of this viewpoint is that the exaggerated prices based on exploiting the absence of balance between supply and demand and on exploiting the circumstances under which the world experienced greater energy needs than the available energy supply were wrong and harmful. The kingdom tried to introduce price increase rates reflecting the drop in the currency purchasing power. As an exporting country, the kingdom offers a fair and reasonable price for a fundamental resource that it needs to secure an income while meeting the needs of the world countries. As long as this is the country's policy and this is its position, it is natural for it to adopt a stance to protect oil prices from collapsing because such a collapse will cause it direct damage as a producing country. A drop in price will also cause the kingdom indirect damage, considering that it will mean a drop in the revenues of the oil-producing countries, which will weaken the ability of these countries to purchase from the industrial countries and to advance aid to them. A drop in price will also weaken the ability of the oil-producing countries to continue their development projects. It is acceptable to maintain a reasonable price rate. But it is also important that the price rate be subject to increase and reduction. Therefore, it is natural that the kingdom kept the price from rising by increasing its production beyond its revenue needs and agreed to maintain this increased production while revenues were losing their purchasing power in this inflationary world. When it became folly obvious that the world need for oil as a source of energy dropped, either because of poor economic conditions in the industrial countries, the discovery of new oil sources or the increase in the available alternatives to the extent that has encouraged certain circles to try to undermine the price structure agreed on in the interest of both the exporters and the consumers, it was natural for us to act to put an end to the tampering of manipulators. The gradual reduction of production may act as an indirect factor in curtailing any damage that may emanate from this manipulation, considering that this reduction will not create a shortage in meeting world oil needs. Moreover, this reduction is an indication of the need to act wisely and not to permit the current price structure to be undermined. It is strongly hoped that the countries, governments and peoples to whom the kingdom has repeatedly proven its determination to supply the world's increasing oil demand and to curtail the intensifying desire for increased

prices—it is hoped that they will understand that a drop in price will harm not only the kingdom as an exporter but also the stability of the world economy because the kingdom spends the major part of its revenues in financing the country's development programs and plans, in purchasing the country's needed goods, products and plants, in aiding numerous friendly countries, in bolstering the economies of the industrial countries and in contributing constructively and practically to international bodies and organizations, such as the World Bank, the IMF, the United Nations and other organizations.

Will Have No Effect

[Ouestion] Shaykh Wahib, do you think that the kingdom's economy will suffer any negative consequences as a result of the reduction of production?

[Zaqar] I believe that the price crisis being experienced by oil will not last for long, unless there is premeditated manipulation or a planned direction or policy seeking to destroy the price structure and to reduce oil prices. I cannot assume the presence of goodwill on this issue. However, I am confident enough that these attempts will end in failure. There may be a need for a further reduction below the declared level. I do not find such a reduction unlikely. This current reduction will not harm the world and, at the same time, will not affect our needs because I believe the needs can be met with a production level much lower than the declared one. God willing, the investments made by the kingdom with its previous surpluses will cover these needs.

Is It Temporary Need

[Question] Can you define the bases for your assumption that low prices will not last long?

[Zaqar] I believe that the glut must be corrected and the situation must be restored to normalcy either by increased demand or by a gradual decrease of production. Oil is vital to energy and is a raw material used in production. Is the world need for oil a temporary need or is this need expected to last many years? It is unreasonable to imagine a drop in the cash price of a commodity needed in a world experiencing enormous inflation. There can be no price drop unless there is an unwise oil policy.

What Is Most Important Is Principle

[Question] As a result of profit and loss calculations, do you think that the kingdom will incur certain losses as a result of embarking on this cut in production?

[Zaqar] It is very obvious that the kingdom's oil policy seeks to preserve the country's resources and not to run after money for the sake of money. There is no doubt that it is a new approach to preserve your wealth and to offer it to those who need it in reasonable quantities. The kingdom agreed to produce quantities exceeding its needs only to supply the world's needs.

[Question] How does Shaykh Wahib ibn Zaqar view the idea that advocates reduced production to preserve this resource for the longest time possible

and what is the connection between this idea and the kingdom's action?

Stable Production

[Zaqar] I do not think that this idea is projected for the purpose of decreasing production. However, there are two opinions: One that says that you have an unrenewable resource that must be preserved for the longest time possible through the production of enough to meet our needs and the needs of others at a reasonable price. The other opinion says that when a resource is extracted from the bowels of the earth, its form and the dimensions of its utilization change in various ways.

Personally, I am inclined toward stable production, taking into consideration the aspects of our need for revenues, development and spending.

[Question] To what extent does Shaykh Wahib ibn Zaqar believe that the search for alternatives to oil has led to this result and what is the effect of high prices on this search?

[Zaqar] This is very obvious. The oil-consuming countries are trying to find new alternatives to oil and to focus on using these alternatives. We, for our part, follow an economic policy that yields the greatest benefit to the kingdom without causing harm to others. The issue of high prices has played a role in encouraging the world to look for alternatives to oil. But what is important to the kingdom is that we focus on creating alternative sources of revenue for the kingdom to supplement oil revenues in case, God forbid, oil consumption diminishes. Thus, we will have other revenues that will enable us to continue the development projects. This situation may be a good indicator of the importance of developing supplemental revenue sources.

[Question] Does Shaykh Wahib ibn Zaqar expect that oil will be abandoned in the near or distant future?

[Zaqar] Life ends, as they say. Man's history speaks of the age of air as a source of energy, of coal as a source of energy and of oil as a source of energy. It is natural that there will be something other than oil. This is not surprising. But we hope to benefit from this blessing and wealth, to utilize it properly and to channel it correctly.

Dr 'Ali al-Jahni, associate professor at the Industrial Management College of the Dhahran Petroleum and Minerals University, has also spoken to 'UKAZ on the positive effects resulting from the kingdom's decrease in its oil production, asserting that the step is having a strong positive effect in curtailing the sharp drop in prices. Dr al-Jahni said: Regrettably, oil prices are heading for a fall. The fact is that the kingdom's interests are not served by either a rise or a decline in prices, especially since the kingdom's circumstances are very different from those of the other exporting countries. The price situation must continue to be stable.

[Question] Dr 'Ali, do you think that if the price-reducing policy continues it will have a negative impact on the economies of the oil countries?

[Al-Jahni] There is no doubt that a drop in prices and in production represents a development that is not positive. If the drop reaches certain limits, it will have negative effects. However, I do not believe that either prices or production will drop to such a level.

\$30 Per Barrel

[Question] The oil price game takes many forms. The kingdom's wise policy has proven the importance of stable prices, which it is eager to maintain. What price does Dr 'Ali consider the right price?

[Al-Jahni] It is my personal opinion that it is more convenient and better for the kingdom for the oil price not to exceed \$30 per barrel. I am not setting this figure on the basis of a certain position. The price situation is ultimately determined by the market. Oil prices have reached improper highs and lows. The effects of this situation will appear 4 or 5 years hence and the extent of the damage caused by such actions will then become obvious when a comparison is made with the available alternatives or with the benefit of oil production.

Saudi Reserves Are Vast

[Question] There are fears that oil will be abandoned as a result of the concerted efforts to find alternatives and as a result of the ongoing oil development process.

[Al-Jahni] The fact is that there are many who believe that the kingdom's oil will be depleted in 10 years whereas studies and research prove that the existing reserves exceed what the kingdom has produced since it started producing oil. I believe that we possess reserves enough to last us 100 years at least. This is why I stress that raising or reducing oil prices does not serve anybody's interests under any circumstances. By raising oil prices, we do not so much punish Europe or the United States as much as we punish ourselves and our future generations. We must not view matters emotionally. The truth is that the kingdom is interested in the stability of the oil market. Reduced oil prices lead to a state of uncertainty or instability in the oil market. This is why the kingdom is confronting this price deterioration. The kingdom's responsibility urges it to confront such circumstances. I believe that production may be decreased further, depending on the conditions of supply and demand.

[Question] On what do you base this point of view?

[Al-Jahni] I base my statements on what is happening in the spot market. For example, we are selling Arab oil at \$34 per barrel in accordance with the official price, whereas you can get oil from others at \$29 per barrel from any of the world's oil markets.

Increased Prices Reduced Demand

[Question] You have said that you do not expect the kingdom's oil to be depleted for 100 years. But can we guarantee that the world will continue to need and consume oil during this period?

[Al-Jahni] The raising of oil prices has played a serious role in reducing the reliance on oil through the search for alternative energy sources. Raising prices will speed up the development of existing alternatives and of new alternatives. Therefore, raising prices will not serve the kingdom's interests. This is a very serious situation. I expect the world will continue to need oil for 20-30 years to come.

Organization's Failure to Check Price Decline

[Question] What effects will the kingdom's step have within the OPEC on formulating a long-range strategy?

[Al-Jahni] The truth is that I doubt OPEC's ability to check the current decline in prices. The fact is that the kingdom's situation is fundamentally different from that of the other OPEC members, whether in terms of its economic interests or of its political viewpoint. The kingdom is the OPEC member most strongly affected by oil market conditions.

Continued Reduction Until Recovery

[Question] Do you expect the decrease in production to continue for long?

[Al-Jahni] The fact is that the decrease in production has served the interest of the oil-producing countries. Therefore, I believe that the reduced production should continue until the world economy recovers. This economy is the main factor behind the diminished oil consumption. The truth is that the United States and the Western world are moving slowly. For example, the U.S. economy was scheduled to grow four to five percent this year whereas the real situation shows that the growth does not exceed one percent.

Reduction Will Not Affect Us

[Question] There are those who believe that reducing our production will affect the kingdom's development rates.

[Al-Jahni] This depends on the reduced level. I believe that even if we reduce our production to 6 million gallons [presumably barrels] daily, the reduction will not affect our development, if we take into consideration that we could realize the same revenues.

[Question] To what extent does Dr 'Ali al-Jahni believe that the continued search for oil alternatives poses a threat to oil and to the oil-exporting countries?

[Al-Jahni] There are two aspects of the alternatives: The first is embodied in the search for new energy sources and the second is embodied in the endeavors to ration and reduce oil consumption. I mean by this the squeezing of oil consumption to very narrow limits through the development of machinery and equipment that use less oil. This is considered an important alternative. For example, there are efforts to produce cars that use less gas because the tendency is toward a more efficient and less wasteful use of oil.

The most important alternatives projected include the use of nuclear energy, increased coal production, despite the exorbitant costs, and the use of technological means to extract shale oil.

It is likely that there will one day be a technological revolution in the sphere of nuclear energy. I mean by this fusion, such as fusing hydrogen atoms with oxygen atoms. This will lead to the generation of vast energy. What is happening now is fission. Should fusion be achieved, it will create a momentous revolution in the sphere of energy by virtue of the numerous advantages of this process.

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CSO: 4404/378

BRIEFS

SSU ORGANIZATIONS REACTIVATED—The SSU Organization and Mobilization Committee yesterday endorsed the final form of a detailed programme for reactivation of the SSU Organizations. The committee Chairman Zein El Abidin Mohamed Ahmed Abdel Gadir presented details of full-sight the mobilization and enlightenment programme in accordance with President Nimeri's address before the opening sitting of the SSU Preparatory Central Committee. Two working groups were formed to forward programmes and proposals for mass mobilization for the Third Presidential nomination and election. [Text] [Khartoum SUNA in English No 4093, 12 Apr 82 p 9]

SUGAR FACTORY UPGRADED—Sennar, April 7 (SUNA)—A five-year plan was laid down to rehabilitate and upgrade efficiency of Sennar Sugar Factory as part of the national plan to consolidate the sugar sector, said the factory Director General Gaafar Hussein. The plan, implementation of which has already started, aims at maintaining vehicles, purchasing new ones and providing spares and production inputs, he said. He said that harvestors would be introduced in a bid to overcome labour problems. Hussein announced that the factory's production has reached 100,000 bags of sugar and is expected to reach 250-300 thousand bags by the end of June. 90% of the new agricultural programme has been carried out, he said, explaining that some 9,152 feddans have been cultivated with sugar cane out of a projected area of 10,000 feddans. [Text] [Khartoum SUNA in English No 4078, 7 Apr 82 p 11]

SUDAN-EGYPT COOPERATION ANNOUNCED—Khartoum, April 10 (SUNA)—Following the winding up of its meetings the Sudanese-Egyptian Business Council issued a final statement yesterday in which it described the establishment of the Nile Valley Bank for Trade and Development as a step forward along the path of integration. The bank's initial agreement will be referred to the legislative authorities in the two countries for endorsement, said the statement. The statement said the Council discussed the establishment of a joint company for agriculture and animal production based in Sudan whose products could be exported to Egypt and other Arab countries. The Council assigned the Sudanese side to conduct relevant preliminary studies in collaboration with concerned and specialized bodies and the company's final structure will be agreed upon when the Council convenes within no more than two months, said the statement. The Council also assigned the heads of the two sides to continue their contacts to follow up implementation of the meeting's resolutions,

the statement said. The statement indicated that the Council decided to cable Presidents Nimeri and Mubarak commending their patronizing of the Council's work. [Excerpt] [Khartoum SUNA in English No 4081, 10 Apr 82 p 1]

PETROLEUM PRODUCTS DISTRIBUTION—Khartoum, April 11 (SUNA)—Vice—President and Chief of State Security Maj—Gen. Omer Mohamed El Tayeb chaired here yesterday a meeting which dealt with petroleum products' supply. The meeting expressed satisfaction over the policy laid down for the execution of the distribution plan of petroleum products. The participants were informed that out of 23 of stations 14 have been equipped with generators and work is under way for the provision of remaining stations with generators. The meeting discussed ways of distributing gazoline to farms in Khartoum Province and those in adjacent provinces. A quantity of petroleum products was sent to the Southern Region to meet the election requirements. The meeting, further, directed provincial commissioners to make controlling points along Khartoum—Port Sudan road so as to stop gazoline selling. [Text] [Khartoum SUNA in English No 4092, 11 Apr 82 pp 6, 7]

CSO: 4500/159

PRESIDENT INTERVIEWED ON REGIONAL ISSUES

GF060430 Abu Dhabi Domestic Service in Arabic 1000 GMT 5 Apr 82

["Text" of interview with UAE President Shaykh Zayid ibn Sultan Al Nuhayyan by AL-SIYASAH managing editor Muhammad Zayn and published on 5 April 1982]

[Text] Question: On the occasion of your upcoming visit to Kuwait, how do you envisage the results of your meeting with your brother the amir of Kuwait and his brother? What is your opinion of relations between Kuwait and the UAE?

Answer: UAE-Kuwaiti relations are fraternal, strong and resolute. My meetings with my brothers in Kuwait and in the region are, above all, fraternal. My meeting with my brothers during this visit is a fraternal obligation. We should always meet continuously even if no pressing matters call for such meetings since these meetings are fraternal and friendly.

However, at this moment and under these circumstances that the Arab nation is encountering, such a meeting is more than a duty. This duty makes it imperative for us, the brothers in the Gulf countries, to get together and discuss everything in order to confront the current situation and circumstances of the Palestinian people and to discuss the steps we should take as Arabs toward our brothers. We should also discuss the duties of other brothers and the role we should play now toward our brothers. Furthermore, we should discuss the best thing to offer our brothers in Palestine and the proper thing to be done in Lebanon. These are the major things that motivate us to meet every now and then.

Everything in life should be discussed in order to recognize our accomplishments and in order to ensure we are headed in the right direction. This is inevitable in order to achieve the desired thing because one could be pursuing a course he didn't desire. In fact our brothers in Kuwait are closer to us than the rest of our brothers anyway. In fact they are closer to us, not geographically, but closer to us when we need someone to stand up for us in the UAE, and I say so. This is well known. Their support for us was not to confront enemies but to answer needs. Kuwait has a role in that, and we should admit it. Although fraternal support is a duty, our brothers in Kuwait were the first to support us.

Question: The oil crisis has cut the revenues of many Gulf countries. What is your opinion of procedures that should be followed in order to avoid the consequent effects?

Answer: It is known that presidents and leaders have the first role in such matters. We, as leaders, have charged the competent ministers with such matters. These ministers have a league now. This league is OPEC. This league meets every now and then. We hope this league will achieve that which is nearer. Even before the recent meeting, no country could do whatever it liked with its oil without the participation of other oil countries. However, the participant countries follow a certain routine. This deliberate routine will bring about better results than hasty action.

As leaders we should take care of all resources and wealth in our countries. We should also take them into consideration before it's too late. This is our duty. However, we have become a group and are no longer divided. This group is bound to change its opinions. For instance, five can change the opinion of one, and this change may be useful, cautious and studied.

If man has acquired opinion partners, especially if most of them are brothers, whatever good will accrue to the partner, even if he is not a brother, will accrue to you as well. Whatever harm your partner sustains, you too will sustain. So what do you say when most of the partners in such a league are brothers? It is reassuring that there is great awareness to protect all the nation's needs from loss, and so will we do, God willing.

Question: Speaking of the oil crisis, do you think it was a conspiracy against OPEC or just an economic corollary of a common mistake made by both the producing and consuming countries?

Answer: I consider oil to be a commodity we should not eliminate or consider separate from all other commodities or merchandise. All are alike. Anyway, what is said when the price of rice increases, when the wheat price decreases, or when the fabric price increases? How can we manage so long as such things have markets, a big consumer and a big world and so long as the consumers of these commodities which we have and which are owned by oil countries are great countries and superpowers? If we refer to the number of countries, we find that there are many more consuming countries than countries that possess oil.

Everyone is concerned about his own welfare. So how do you object to a person who is trying to benefit and is defending his welfare, rights and that which benefits him? He does not harm or attack you. All he is doing is trying to profit instead of lose, and you too are trying to profit instead of lose. Let's see who loses and who profits.

These are attempts and, as with all commodities, merchandise and sale and purchase transactions, they are commercial attempts. If we ask billionaire merchants, they will say that many a time they lost and many a time they profited.

We had a time when oil was purchased from us for a cheap price--3 dirhams per barrel. This was in the past. Today it has reached \$34 a barrel and will increase. This is a substitute for the previous situation. The consumer tried to benefit. We also tried to benefit more than 3 dirhams and we did. The 3 dirhams have become \$32 and \$34. They tried to profit after we regained what we has lost. They tried to profit afterward too.

These are the facts. It is our duty. They too see that it is their duty to struggle for their own welfare. We should struggle for our welfare. We should not take up the hatchet, but we should strive.

Question: Do you think the GCC is operating as rapidly and effectively as was desired? What is your evaluation of the joint economic agreement and bilateral security agreements between the GCC countries exclusive of Kuwait and the Kingdom of Saudi Arabia?

Answer: I truly hope that this kind of cooperation, rapprochement and consolidation which we, the Gulf countries, are seeking and striving for will be pursued by the entire Arab nation. We in the Gulf countries have set great hopes on the GCC because it is a force which, we hope, will be good for us, our nation, our peoples, the entire Arab world and the rest of the world too, whether we move rapidly or slowly. If such a thing is pursued sincerely and achieved, it will be a nucleus for the entire Arab world. Once it becomes known that we, through this consolidation and cooperation, have attained a better foothold, and once the Arab world sees this, I believe that the Arab Maghreb, for instance, will do the same thing. The Arab Mashriq will do so too. For instance, when man in the past saw his brother profit from certain merchandise, he strove to traffic in the same way in order to profit. This is what we see merchants do. Why does not this occur among nations and fraternal countries? Why do you rule out the fact that our brothers in the Arab Maghreb and Arab Mashriq will not pursue our action if they see that we have improved our situation through consolidation and cooperation?

Question: Joint Gulf companies, most of the licenses for which were issued by the UAE, have become an element of economic life and cohesion for the peoples of the region. How do you view these companies? What are the limits of UAE coordination with Kuwait and other Gulf countries in this field?

Answer: Coordination with Kuwait and with any of the Gulf brothers is support for all of us. As you know very well, I have never practiced or engaged in any kind of trade. All those who engaged in economy and trade are merchants and are in these amirates. It is our duty and the duty of our brothers in Kuwait, Saudi Arabia, Bahrain, brotherly Qatar or Oman to charge every experienced person or one who has an enterprise with working with his brother. A person and his brother compete and discuss things in order to choose the best for each of them. We bless any cooperation between them. It is our duty to bless all cooperation and see to it that every person gets and achieves what is satisfactory for him and that each is not harmed. We do not want to do things which will be unsatisfactory for all of us. We call for cooperation because it is the means which helps our societies. This is our duty.

Question: Iranian officials have frequently visited the UAE. The last of these visits was by Ayatollah Khalkhali. Is there any possibility the UAE will carry out a special mediation in the Iraqi-Iranian war?

Answer: We hope for God's success and that we will bring about accord and will be able to reconcile a Muslim country and its Muslim sister. This is the best virtue. The best work for God's reward is to do something like this.

The fact is that an Iranian delegation visited us led by the Foreign Ministry under secretary. The delegation visited us recently and Khalkhali visited us earlier. However, I did not see him. The Foreign Ministry under secretary was accompanied by about six persons, each from one group. I cannot say from one party, but I can say that each one was from one group which has a role and influence. They talked about relations, friendship, and the expansion of relations and friendship. We, on our part, welcome those who are far from us. Why not a neighboring, Muslim and brotherly state? [They are] are Muslim brothers and neighbors. A neighbor—even though he is not Muslim—has an obligation toward his neighbor.

The Apostle Muhammad, peace be upon him, used to be kind to his non-Muslim neighbors. He used to treat them kindly and wink an eye at them and ignore many things for the sake of neighborhood. We are your neighbors and you are our neighbors. It is our duty to cooperate in adversity and stave off injury from us and you. This is our duty.

They said: We seek friendship and we want you to inform your brothers in Bahrain that we have no knowledge of what has happened and that we do not commit such things in any Muslim state, and above all in a neighbor. This is not our duty and we cannot do such thing; if there are saboteurs in Bahrain and other neighboring countries, we also have saboteurs and you hear about them. You always hear about our saboteurs and about what they do, not only against our neighbors. This is not our custom and you should not expect such things from us. Nor do we want Bahrain, our neighbor, to expect such thing from us.

I said: This pleases us. We wish you had come earlier because what happened in Bahrain has disturbed all its neighbors. We heard that you had planned it and that you are the plotters.

They said: Do not expect us to work in any neighboring state or a state which is not a neighbor. We have never done such a thing. We want you to tell Bahrain that such a thing is not our custom.

On the war between them and Iraq, I told them: War is not good or pleasant for you, us or Iraq. They said: Aggression has been committed against us. Iraq has committed aggression against us. I told them: Good. You say Iraq has committed aggression against you. Iraq says the same thing. It says you are aggressors. Who can solve such a problem? It cannot be resolved. As long as the plaintiff says no to right and the defendant says no to right, how can the problem be resolved? However, you know what you have and the

Iraqis know what they have. But if the war tires you or Iraq, one may resort to a superpower. The superpowers seek a foothold. If this happens in Iraq, in this case Iraq will be forced to do so. Also, you may be forced to do so. Perhaps we will be forced to do so. This applies to you because you will be forced to seek the help of an Eastern or Western country. If you seek its help, it will also seek a foothold in Iran. We said this will not benefit you or Iraq. If both of you seek the help of a superpower, it will benefit neither of you. Besides, why are you always thinking of war? Why do you not think of reconciliation? Why do you not think of what the war has destroyed and of when you will rebuild and restore it? If you thought about the war hundreds of times, it is your duty to think of what will come after the war thousands of times.

They asked: Have you said the same thing to Iraq? I answered: Yes, I told them the same thing. It is my duty to advise Iraq and pass on to it what I think. I advise them in the same way I advised you. This war is not in the interest of anyone, neither you, nor Iraq nor your neighbors. This is what you should keep in mind after the war. It is my duty to call your attention to what will happen after the war and you have to think about it. This is what we tell you.

As for other things, they are up to you and your neighbors whom you are fighting. Look at the solutions which you benefit from. Now you know what is behind and in front of you. For whom? Is it for your brothers? No. you do not know. They are for the superpowers. You either purchase ammunition, spare parts, or arms and equipment. Your neighbors in Iraq are doing the same thing. Whose money is being spent and whose people are being killed? Why are you spending this money in this way? This is not right. If you want our help in any reconciliation, we are ready to provide it and we will seek the help of our other brothers. God willing, we will all be successful. This is what I told the Iranians.

Question: You have a distinctive stand toward U.S. policy in the Middle East and the Gulf designed to correct some of its stands on the Palestinian issue. To what extent is U.S. policy linked to what is going on in the occupied territories?

Answer: In fact the United States knows what it sees and what is going on. Nor is it unaware of the world's view of its stand on Palestine and the Arabs. It is a government that knows what Israel is doing in the occupied land and against the entire Arab world. It knows all this. However, it ignores it in order to make Israel win and make the Arabs lose. So be it. This is known. The United States knows the Arab loss but does not recognize it. It also knows Israel's gain but does not prevent Israel from aggression. This is known. Had the Arabs adopted a stand toward this U.S.-aided injustice toward the Arab world--because the United States supports and aids the unjust--this injustice would have come to an end. But the Arabs have separate voices and each of them is calling for Arab rights but without cooperation and coordination. This makes the United States see that more of its benefit lies in Israel and the Zionists.

In everyone seeks his interest through force, violence, injustice and coercion, no weak human being will be left on earth. We do not believe one has the right to commit aggression against those who are weaker than him. However, humanity has its attributes, the foremost of which is fear of God. The Muslim fears and respects God, although he may be tempted not to recognize others' rights. In spite of this he fears God. Likewise, he who has no belief in or fear of God can still have honor, reputation and status. Otherwise, he will lose fear of God and his honor. [as heard] He has to avoid his people's charge that he does not care about humanity and its rights. He also has to bring himself to account; otherwise, this will weaken him among his people and nation.

If the United States has a creed which makes it support the unjust, I see that this is a wrong creed which has no supporter. No human being who can be truly regarded as a human being supports injustice and the unjust.

Question: It has recently been said that the issue of establishing diplomatic relations between you and the PDRY and between you and the Soviet Union has been the subject of a series of intensive dialogues. What is new in this regard?

Answer: The PDRY is a fraternal country; we do not doubt that it is a fraternal country. Not only the UAE, but each Arab and fraternal country has to win this country over to its side, like one who wins his brother to his side, and establish with it all kinds of amicable, friendly and fraternal relations. There is nothing there. There are some things between us. We want to hear about some matters which we are seeking. We want it to heed rapprochement with its brothers. We have not gone far from it and it must not go far from us.

Question: What about the Soviet Union, Your Highness?

Answer: If all the Gulf countries surrounding us are included in these relations. [sentence as heard and published] Our case is part of theirs. It is the same way. Yet as long as we are a novice and another country in the Gulf country has begun to play a role. [sentence as heard and published] We do not want anything except to shape ourselves. Let us shape ourselves and we have to follow the way which other Gulf brothers have traced. God willing, we will do only what springs from respect and we do not belittle the rights of any other person. This is what we seek.

Question: Has the UAE adopted any stand on the issue of financial aid to Syria? Is there any collective stand on this issue?

Answer: The UAE is committed to financial aid among its brothers. It fully honors its obligations. There is nothing new. No meeting or discussion has taken place. Nothing has taken place on commitments. The UAE has its own commitments toward its brothers and friends. It is doing its duty just as other brothers are.

Question: What is Your Highness' views on the possibility of Egypt's returning to the Arab League after 25 April? Have there been any contacts between you and Egypt since al-Sadat's assassination and during Mubarak's tenure?

Answer: In fact, the reason for Egypt's isolation from the Arab countries was the late Anwar al-Sadat. He behaved in a certain way. He implemented these practices and behavior with Israel. Even the brothers were surprised at these practices and behavior until the situation led to Egypt's isolation. The one who caused all these things and did them has departed, may God's mercy be upon him. The next one succeeded him. Do we want his successor to change the situation overnight? He cannot so easily relinquish such things which happened before him; otherwise, the situation would turn upside down and Egypt would lose.

Egypt's loss is a loss for the Arabs. We do not want Egypt to lose, nor do we want this person to lose. We cannot do without Egypt and the Egyptian people, nor can the Arabs do without them. Whatever the situation and whatever the circumstances, the Arabs cannot dispense with Egypt. We have to leave our brother take his time and lead the way as he sees fit.

We, as brothers and Arabs, believe the Egyptian people and their leader are interested in having Egypt stand with its brothers. It adopts and is committed to what its brothers are committed to and it does the same thing fraternal countries do at any time. Affirm this. We have to let our brother have his chance and take his time to carry out what is required from him which he pledged to do before. He does not lose in this. Rather, he even benefits from it and he is benefiting now. If we bear any grudge against him, we will lose. This will also burden him more and thus he will not see any hope in his friends and Arab brothers. Thus he will be allied just as the (?Egypt of) Anwar al-Sadat was. Therefore, we do not want to lose our brother; we want to win him over. We are anxious for him for the sake of the Egyptian people who are a treasure to the Arab nation, a thing which we certainly do not want to lose.

Question: We thank Your Highness, but there is another question which does not pertain to official programs and protocol. Naturally, you do not believe in protocol and programs. No doubt, Your Highness wants to see a certain thing in Kuwait and you want to see something that will have a mark on the visit. What is this thing, protocol aside?

Answer: I want to see my brother, the amir of Kuwait, His Highness Jabir al-Ahmad al-Sabah, and my other friends. I want to greet them one by one without any written letters or formal words uttered on the phone or by other means. This is what I am interested in and pleased over. I want to see the Kuwaiti people and see my country in a clearer picture of civilization than that which I know. This is good and pleasant.

GOVERNMENT SUPPORTS NIGERIA IN OIL PRICE WAR

GF071240 Dubayy KHALEEJ TIMES in English 7 Apr 82 p 1

[Text] Kuwait--United Arab Emirates Minister of Petroleum and Mineral Resources Dr Mani Sa'id al-'Utaybah said the UAE and Kuwait had agreed to support Nigeria to face pressures by international oil companies to reduce its oil prices.

After a meeting with his Kuwaiti counterpart, Shaykh 'Ali al-Khalifah as-Sabah, Dr al-'Utaybah said they "reviewed the current international oil market situation and the latest developments in Nigeria in the light of the continuing pressures by certain international oil companies to force Nigeria to reduce its prices."

Dr al-'Utaybah who is president of the Organisation of Petroleum Exporting Countries (OPEC), said he would call for an emergency meeting of the 13 OPEC oil ministers if the companies persisted in pressurising certain OPEC members to reduce their official price.

The UAE minister is in Kuwait accompanying the president, His Highness Shaykh Zayid ibn Sultan Al Nuhayyan, who arrived here on Monday on a three-day visit.

The minister told WAM that it was agreed to continue contacts with Shaykh 'Ali to discuss all measures necessary to help Nigeria.

Saudi Arabia's Oil Minister Shaykh Ahmad Zaki Yamani on Monday night warned that his country would "if necessary" impose sanctions on those companies which reduced their liftings from Nigeria to force its price down in line with 31 dollars per barrel for British North Sea crudes.

"We don't want to do that, but if it's a necessity, we will do it," Shaykh Yamani told reporters before making a speech in Bonn to the West German Foreign Policy Association.

According to the Middle East Economic Survey (MEES) most major international oil companies producing and buying crude oil in Nigeria have asked for a cut in the present Nigeria price of 35.50 dollars per barrel because of the world oil glut and lower prices charged by other countries and at the spot market.

The Saudi oil minister, whose country is by far the world's largest exporter of oil, said OPEC was currently studying the situation, which would be clear probably by the end of this week.

In the interview last Sunday, Dr 'Utaybah stressed that OPEC's 13 member-states were committed to defend Nigeria against the pressures of the multinationals which has halved its production quota to a record low of about 630,000 BPD from a high of 1.8 million BPD earlier this year.

"OPEC has the reasons, and the means, that would enable it to give Nigeria its quota (of 1.3 million BPD) according to our Vienna agreement, and also defend our base price of 34 dollars a barrel," he added.

The oil ministers agreed at their emergency meeting in Vienna on March 19 to set a production ceiling not exceeding 17.5 million BPD shared by the 13 countries for the months of April and May, down from a previous level of 19 million BPD to absorb the world oil glut and defend their pricing structure.

OPEC, whose production level reached a record high of 31.3 million BPD in late 1979 and early 1980, has been hard hit by a recession-led drop in demand on its oil.

But ministers and experts in the organisation believe that there are two main factors behind the present glut—the recession and destocking, which most of them still insist is running high at a rate of not less than four million BPD, in an attempt to drive OPEC prices down.

Shaykh Yamani said that oil consumption by "free world" economies in the first three months of 1982 was 47 million BPD and output by OPEC and non-OPEC producers around 43 million BPD, with the difference coming from stocks.

A four-nation monitoring committee, chaired by Dr 'Utaybah, will be meeting "before the end of this month" to discuss possible future developments in oil supplies, including suggestions that certain oil companies were considering a halt on their destockings and a start on rebuilding their strategic reserves.

The committee, formed at the Vienna meeting, also includes the ministers of Algeria, Venezuela and Indonesia.

ARAB ROLE IN U.S. UN VETO EXAMINED

GF041938 Al-Shariqah AL-KHALIJ in Arabic 4 Apr 82 p 1

[Editorial: "The 'Arab' Veto Against Palestine!"]

[Text] The latest U.S. veto unveils a clear and confirmed fact. This fact is that the United States has given the Zionist entity the freedom to act not only in the occupied Arab territories, but also in any area that can be reached by the Israeli military arm, particularly in the Arab Gulf area and in defined areas in the Arab Maghreb.

The United States arranged for this position for Israel—within the framework of the comprehensive strategic agreement signed between the two sides—while showing a kind of inclination toward the Arab governments. This was clearly expressed by the U.S. verbal "denunciation" of the Zionist terrorist practices and call on the Arab countries to act with reason and self—restraint with the firm assertion that no side, whether inside or outside of the United Nations is allowed to denounce Israel for its crimes and terrorism or to call for imposition of political or economic sanctions against Israel for violation of human rights and the UN Charter.

The official Arab reaction to the U.S. pro-Israeli stances just reflects political defeat before the United States following the military defeats before Israel. How can we explain the increasing state of the Arab "adhesion" to the United States, while Washington provides Israel with economic and technical experience and information to use to strike violently at the people of the occupied territories, strafe the inhabitants of Beirut, destroy the Iraqi reactor Tammuz, and freely violate the airspace of the Arab Gulf, in addition to preparing for fighting missions in the Indian Ocean, according to the Israeli war minister.

Will the latest veto make any change in the current Arab official position which is close to silence and weakness—if this silence alone does not indicate complete weakness? There is nothing on the horizon that indicates in one way or another that the Arab governments have made up their minds to recover the rights of the Arab Palestinian people in the occupied territories, because the latest U.S. veto came a few hours after the Arab foreign ministers conference ignored a Palestinian proposal calling for opening the

Arab borders to Palestinian resistance and some sides indicated reservations about a national plan to mobilize the Palestinian people.

Haven't all the Arab government resolutions since last June been mere "blame-placing" and "verbal" denunciations of the United States? At the same time, guerrilla action has been curbed and attempts to separate the Palestinian people from the Arabs have continued. Isn't this an Arab veto of Palestine and the Arabs?!

ENVOY TO U.S. WARNS OF ZIONIST DESIGNS

GF050540 Dubayy KHALEEJ TIMES in English 4 Apr 82 p 22

[Text] Washington--The UAE envoy here has urged the United States to realise that Israel is trying to push her into a corner, confronting her with one fait accompli after another in pursuance of its own expansionist goals, in utter disregard of American national interests in the Middle East.

In an interview with KHALEEJ TIMES yesterday, Ambassador Ahmad al-Muqarrab said: "Israel wants waters of the Litani River, it covets the oil of the Middle East, and it seeks to dominate the whole region, well beyond the territories it is presently occupying."

"It is pursuing its objectives with a relentless singleness of purpose and in the process, it is jeopardising U.S. national interests by alienating the entire Arab world."

The ambassador said, the relations between the United States and the United Arab Emirates, based as they are on mutual respect and recognition of interdependability of nations, are good, and steadily getting better. It is precisely because of this friendship that the UAE wants the USA to acquire a greater appreciation of what is at stake. At stake is not only what America considers to be right or wrong--but also the future of its relationship with the whole Arab nation.

Mr Ahmad al-Muqarrab emphasised that global peace currently hangs on justice in the Middle East--strategically the most important and politically the most explosive region of the world. He urged the United States to come down more forthrightly and determinedly on the side of justice, which he stressed lies clearly with the Palestinians.

The Palestinians today are struggling, he said, to preserve their very homes and hearths, the lands they have ploughed for centuries, for their right to exist and shape their own future in accordance with the universally-accepted principle of national self-determination. Confronting them is the Israeli army of occupation that is trying to take away their very nationhood from them by unleashing a reign of terror to pave the way for annexation of the West Bank and for designs farther afield. There should be no doubt in anybody's mind where the moral choice lies, he said.

The least the U.S. can do, he stressed, is to look more objectively at the Palestinian case, bring more sympathy to bear upon it and open a dialogue with the PLO. He was confident that by beginning to talk to the Palestinian Liberation Organisation, the United States would be taking a big step forward towards resolving the Middle East conflict.

In reply to a question, he said that at last week's meeting with a delegation of Arab ambassadors, Deputy Secretary of State Stoessel showed "understanding" of Arab feelings on the West Bank crisis, but he was unable to say whether there had been any change in the U.S. stance. There could be some in the offing, but it was so slight and slow that it did not get reflected in anything tangible. It was his hope, however, that a change would ultimately materialise and the U.S. administration would come out more decidedly in favour of justice in the Middle East.

Ambassador Ahmad al-Muqarrab said, he did not see why the U.S. is not pursuing her own national interest in the Middle East (which lay in friendship with the Arabs) when Israel had made it repeatedly clear, on Washington's own showing, that it (Israel) felt free to do what it considered to be in its interest, no matter what advice the U.S. tendered or how it reacted to a fait accompli.

He wished there were greater realisation in Washington of how Israel was trying to crowd the U.S. by presenting her with one accomplished fact after another, by reducing her options and using her for its own predetermined national targets.

First there was the pre-emptive strike against the Iraqi reactor in Baghdad, then the callous raid on the civilian population of Beirut. They started off with a calculated grab of Arab lands on the West Bank and populated them with armed Jews.

The last was the annexation of the Syrian Golan Heights, and the latest is the allout bid to seize the West Bank. All the terror let loose there, all the dismissals and maiming of elected mayors and all those efforts to install puppets as village councils, had one aim: to complete the annexation of the West Bank as soon as possible as a political pre-emptive strike.

The UAE envoy had no doubt in his mind that the annexation of the West Bank would be followed by a grab for south Lebanon. The Israeli leadership, he stressed, was propelled by a vision of greater Israel: It would employ any means to reach that goal. In that context, he believed, it mattered little to the Israelis whether the resolutions adopted at the United Nations were soft or tough or moderate. They were going to ignore them any way and push ahead in pursuit of their pre-set objectives—be it control over the Litani River, acquisition of Middle East oil or domination of the Arab world.

He looked upon the establishment of the Arab Gulf Cooperation Council as a continuation of Arab unity envisioned by the Arab League. It would strengthen the sinews of regional security and obviate the threat of foreign intervention from the Gulf, strengthening Arab unity which alone, he said, could save them from Israeli expansionist designs.

ARMY'S ROLE IN ARAB SECURITY ANALYZED

GF191106 Abu Dhabi Domestic Service in Arabic 1000 GMT 19 Apr 82

[From "Today's Talk" program by Shams al-Din [name indistinct]]

[Text] The process of civilization is a comprehensive one, with versatile sides, features and dimensions. This is the feature characterizing the march of the UAE Federation since 1971.

Today's graduation of the seventh group of cadets at Zayid Military Academy in the city of al-'Ayn is an indication of the long stride of civilization. Yesterday was the ceremony of science, industrialization and sports, and today is the ceremony of improving the Arab military.

Building military strength is one of the responsibilities in protecting the federation's achievements in this homeland for the welfare of its sons, the Gulf and the Arab nation. If the army of this country is its impregnable fortress and its protective shield against foreign aggressive designs and ambitions, it is also a brick in Arab intrinsic strength which must continue to be built in order to counter the superpowers' ambitions and the Zionist expansionist plots.

These ambitions and plots are dangerous to the entire Arab homeland, and the Gulf is part of this homeland. Arab national security is indivisible. Therefore, the Arab counterforce must be national, and all Arab countries should participate. The participation of the UAE and other Gulf countries in countering Zionism during previous wars has translated this theory of national security. The UAE's wise leadership—while knowing the dimensions of these threats—does not spare any effort or money in building a strong federal Arab army toward the inevitable day when the Zionist aggression must be countered and thwarted.

Today's ceremony for the new group of cadets at Zayid Military Academy is an expression of pride in the Arab military strength and of the confidence in the traditions of military struggle which have been a source of pride and appreciation for ages. This military struggle will achieve more glories of heroism through sacrifice and belief to be added to the glories achieved by our ancestors.

A greeting to the leader of this march. A greeting to the Arab soldier irrespective of the arm he is carrying and the position he is occupying. God's peace, mercy and benedictions be upon you.

TRADE SURPLUS DESPITE OIL OUTPUT FALL REPORTED

GF241116 Dubayy KHALEEJ TIMES in English 24 Apr 82 p 1

[Text] The country's crude oil output was 1.51 million barrels per day in 1981-an 11.7 percent decrease from the 1980 level.

Nevertheless, the UAE Central Bank annual report said, the UAE's share in the total OPEC output increased to 6.25 percent as against 3.5 percent in 1970.

Abu Dhabi accounted for the bulk of both the output and the export. In 1981 the emirate's output was 1.13 million BPD. It had an extensive oil and gas exploration programme to expand its crude output capacity to three million BPD by 1985, compared with the present rated capacity of 1.8 million BPD. The main project was the 4.25-billion-dollar development scheme for the upper Zakhum field with an estimated capacity of 0.5 million BPD by 1984.

The UAE's total export earnings, which amounted to about DH 81 billion in 1980, "probably" came down to DH 78 billion in 1981. There was some rise lately in gas export, but its share remained relatively small, amounting to DH 3 billion. Oil export earnings in 1981 amounted to about DH 67.2 billion.

On the other hand, the imports estimated at DH 32.4 billion in 1980, increased to DH 35.6 billion in 1981. "For a total population of a little over one million, the UAE imports have reached a high level. Per capita net imports have risen from DH 13,400 in 1975 to DH 34,000 in 1981," the report said.

Consumer goods formed 45 to 47 percent of the total imports. Although the volume of imports would continue to go up, the rate of increase would now be lower.

The increase in the import bill was largely due to inflation in the industrial countries. Another factor was the increase in the import of construction material and industrial machinery.

Part of imports in the UAE have always been meant for re-export. In 1981, of the estimated imports of DH 35.6 billion, goods worth about DH 6 billion were re-exported, mostly from Dubai.

Oil and, to a limited extent, gas would continue to be the main source of export earnings. Although actual earnings may continue to fall in the short-term, exports were likely to show a moderate growth, the report said.

"Accordingly," it added, "substantial surplus in merchandise trade account would continue. As for remittances, other invisibles, and capital transfers, the present net outflow would continue. The UAE earns a sizable net investment income of about DH 1 billion a year on its outstanding foreign assets. This provides a continuing element of strength in the UAE balance of payments."

According to the report, the consolidated government outlays, which amounted to DH 41 billion in 1980, increased to about DH 42.5 billion in 1981. Both current and development sub-head totals in 1981 were "about the same" as in 1980.

Oil revenues were sufficient to meet the increase in government expenditure, which had not been unduly large taking into account the expanding defense outlay, construction loans and compensatory payments to nationals.

By any standard, the UAE foreign aid programme was commendable. The aid, amounting to DH 6.4 billion, was given mostly by the federal government and the emirate of Abu Dhabi.

DUBAI TO EXPAND OIL-PRODUCING FIELDS

GF240921 Dubayy KHALEEJ TIMES in English 23 Apr 82 p 1

[Text] The expansion plans for all the four oil-producing fields of Dubai have been approved. The Dubai Petroleum Company (DPC), which operates the fields, has been allocated its largest ever budget and six new platforms are to be constructed and installed this year.

Giving these details, the annual review of the Dubai Petroleum Company for 1981, just released, states that the total oil exports by Dubai last year amounted to 130.28 million barrels.

Japan continued to be the leading importer of Dubai crude, absorbing 43.2 million barrels, followed by Spain which took 18.6 million barrels; France was the third largest importer with 13.3 million barrels. The other large importers were Italy (9.6 million barrels), Netherlands (8.2), Malaysia (6.07), USA (5) and Singapore (5.6).

The review states that 1981 was another successful and eventful year for DPC. Mr John D. Lung took over as president on November 15, succeeding Mr Howard A. McKinley, who has been holding the position since 1976.

The highest-ever daily production of crude was achieved on May 13, when an output of 397,282 barrels was recorded.

Of a total daily average output rate of 358,598 barrels, the South-West Fatih continued to be the largest producing field with an output rate of 184,178 barrels, followed by the Fatih Reservoir with an output of 161,568 BPD. Falah produced at the rate of 9,296 and Rashid field produced 3,556 BPD.

Exploration activity continued in 1981, with one well drilled in 1981 and a geophysical programme, which is expected to yield the location for another exploratory well this year, the review states.

Fatih field, discovered in June 1966, has at present 24 platforms, 75 active wells, seven gas lift compressors and 44 MMCFPD [expansion unknown] capacity plus the new central compression plant of 120 MMCFPD capacity, 81 miles of gathering and distribution lines, a two-platform four-train water flood facility with a capacity of 500,000 BWPD with a capacity of storage capacity including the unique Khazzana.

The drilling activity last year focussed mainly on 'Q' platform where seven wells were completed. Several of these wells were highly productive and a peak platform capacity of 37,000 BPD was achieved in August. The rig then moved to 'S' platform and S-1 well was near completion at year end. A second development rig arrived last March and commenced drilling on June 29.

The Fatih field central gas compression plant was put into operation in July, and a new oil manifold was operational on K-2 in May which would also provide for future expansion, the review states.

Further development plans for the Fatih field include drilling from 'U' and 'V' platforms and from a tripod adjoining 'I' platform. A new living quarters platform is proposed for 1982.

The South-West Fatih field, discovered in November 1970, now has 12 platforms, 49 active wells, a two-train gas lift plant of 100 MMCFPD capacity, a gas lift compressor of 20 MMCFPD capacity and 55.4 miles of gathering and distribution lines.

In the first quarter of 1981 the final facilities and gas lift compressor on 'II' platform became operational. Also, the installation of an additional oil line from 'FF' to 'AA' platforms was completed.

Further development plans for the South-West Fatih field include drilling from the 'II' platform and a facility platform, to be constructed in 1982 for a 'C' train gas lift facility, which is scheduled to be operational in 1983.

The Falah field, discovered in 1972, has a single production platform for seven wells and a gas lift compressor of 19 MMCFPD capacity.

There was no development activity at Falah field during 1981 but an eight development well is scheduled for early 1982. Also planned for 1982 is a delineation well and the construction and installation of the Falah 'B' platform.

The Rashid field, the smallest of the DPC's four fields, which was discovered in 1973, has a single production platform for six wells, three of which are DPC's oil wells and three are Dugas' gas wells.

One platform well and one delineation well will be drilled in 1982 at the Rashid field and an existing well will be sidetracked to a more favourable reservoir location.

The review states that 151 wells (excluding exploratory and relief wells) had been drilled cumulatively by the end of 1981 in Dubai.

By the end of 1981, the total manpower (including overseas trainees) with the DPC stood at 704, with 125 UAE nationals. A number of training programmes were completed for nationals, the review states.

FEDERAL NATIONAL COUNCIL STATEMENT ON LAND DAY

GF031855 Abu Dhabi WAM in Arabic 1740 GMT 3 Apr 82

[Text of statement issued by the UAE Federal National Council in its meeting in Abu Dhabi on 3 April on the occasion of Land Day]

[Text] On the 6th anniversary of Land Day--the anniversary of the upheaval of the Palestinian people in occupied Palestine which announces the rejection of the confiscation of the occupied Arab lands and the imperialist settlement policy--the Federal National Council reaffirms solidarity with the Palestinian people in their adherence to the land. The council salutes this people in their legitimate struggle, courageous resistance and comprehensive upheaval launched in the occupied territories in defense of their rights to the land and life. The council also denounces the inhuman measures, the terrorist acts, the suppression and the violation of human rights which racist Zionism practices against our people in the occupied territories. The council urges the Arab nation to unify its stances and ranks to achieve genuine and effective Arab solidarity capable of confronting the challenges of Zionism and its continuous aggression against the land and the Arab citizens in Palestine and other occupied territories. The council also urges all the peace-loving and freedom-loving peoples to continue their support for the issue of Arab rights and justice and to back the Palestinian people with all kinds of support in order to help them continue their struggle to restore their national right of returning home, determining their future and establishing their independent state under the leadership of the PLO, their sole legitimate representative.

BRIEFS

LOAN TO MAURITIUS—An agreement was signed in Abu Dhabi today between the Abu Dhabi Arab Economic Development Fund [ADAEDF] and Mauritius. The ADAEDF will grant Mauritius a loan of 18 million dirhams. The agreement was signed by Nasir al-Nuways, ADAEDF director general, and Finkana Sami, Finance Ministry representative at the Mauritian Legislative Assembly, who is currently visiting Abu Dhabi. [GF081600 Manama WAKH in Arabic 0924 GMT 8 Apr 82]

OIL INVESTMENT ESTABLISHMENT—Abu Dhabi, 22 Apr (QNA)—The Executive Council of the Abu Dhabi Amirate has agreed to establish a major investment establishment, the International Oil Investment Company, with a capital of \$500 million. The company will set up projects outside Abu Dhabi Amirate in the field of oil industries, exploit energy resources and deal with activities related to these projects. It will be headquartered in Abu Dhabi and will set up branches and agencies in the UAE and abroad. [GF221700 Doha QNA in Arabic 1300 GMT 22 Apr 82]

LOAN TO NORWAY--A \$25 million medium-term loan agreement was signed today between Abu Dhabi National Bank and the Norwegian Government company (Norisk Jern Verik). The bank will be supervising this loan in which some other Gulf banks are participating. The term of the loan will be for 3 years with a 2-year period of grace at an interest rate of 1.5 percent. [GF190701 Abu Dhabi WAM in Arabic 1740 GMT 18 Apr 82]

DUBAI EXPORTS, IMPORTS—The total amount of trade exchange in Dubai increased from 23.7 billion dirhams in 1980 to 24.5 billion dirhams in 1981. The non-oil exports formed 80 percent of this increase which amounted to 800 million dirhams. Imports increased slightly in 1981, totaling 19,679,367,904 dirhams, as compared to 19.55 billion dirhams for 1980. [GF220617 Dubayy AL-BAYAN in Arabic 17 Apr 82 p 2]

DUBAYY'S RASHID PORT TRAFFIC--The number of ships which used Port Rashid during the first three months of the current year was 415. They included all types of vessels, containers and general cargo ships. The cargo handled by the port during the period was 1,287,186 tons. During March alone, 157 ships visited Port Rashid and handled 492,193 tons of cargo. This was announced by Mr Khalid al-Gallaf, deputy director of port and customs in Dubayy. Of a total of 415 ships, 212 were general cargo ships carrying 634,268 tons of cargo and 84 were containers. Transit freight was 652,918 tons. [Text] [GF101155 Dubayy KHALEEJ TIMES in English 10 Apr 82 p 3]

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May 26, 1982